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Page 15

Business in China
Second generation ventures take root
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Nuclear family
Leonid Kravchuk and the Russian threat
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Temperatures soar on the ice

FINANCIAL TIMES

Europe's Business Newspaper FRIDAY FEBRUARY 11 1994

Banks seek to withdraw from Thai road project

A group of 23 international banks have told the Thai government they want to withdraw from a controversial $1bn elevated motorway project for Bangkok and have their loans and interest worth some $250m repaid in full. The demand could hinder Thailand's efforts to secure foreign funding for other transport, communications and power projects. Bangkok Expressway, the construction consortium led by Kumagai Gumi of Japan and financed by Thai and foreign banks, is in dispute with the state-owned Expressway and Rapid Transit Authority over revenue sharing and other aspects of the toll road contract. Page 16

BP returns to profit after restructuring

British Petroleum shrugged off falling oil prices and returned to the black last year as it reaped the rewards of a wide-ranging restructuring and disposal programme. Chief executive David Simon (left) said the group had "really been tested. We have shown a steady improvement in our financial performance in spite of the oil price". Page 17; Second oil discovery, Page 25; Lex, Page 16

Volvo underlined its new commitment to core vehicle activities when it announced the sale of its stake in Custos, an investment group, to Swedish and foreign institutions for SKr1.74bn ($216m). Page 17

BT profits up 8.5%: Steady growth in call volumes enabled British Telecommunications to lift pre-tax profits 8.5 per cent in the three months to December 31, after allowing for increased redundancy charges and other one-off items. Page 17; Lex, Page 16

Japan tops consumers' quality list: The world's consumers believe the best quality goods are made by Japan, Germany and the US, while goods from Britain and other exporting nations lag well behind, a Gallup poll shows. Page 6

Iceland's trade policy attacked: Iceland's trade and industrial policies have contributed to a squandering of its fish resources and some of the world's highest food prices, says a report by Gatt economists. Page 6

Statoil profits advance: Statoil, Norwegian state oil company, reported a 21 per cent rise in 1993 pre-tax profits to NKr12bn ($1.58bn) helped by a reduction in operating costs. Page 22

Ericsson doubles profits: Ericsson, Swedish telecommunications group, more than doubled profits in 1993 to SKr3.1bn ($390m) due to booming sales of mobile phone equipment. Page 17; Let the lifeblood flow freely, Page 12

Hostage MPs freed: British MPs Mark Robinson and Tony Worthington, on a fact-finding mission to Somalia, and an aid worker were released unharmed after being taken hostage by rebel militiamen late on Wednesday. Page 4

Jobs revival expected in City: London's financial district has lost 50,000 jobs in the past three years, but numbers are expected to rise by 21,000 to 328,000 by 1998, a report says. Page 7

Russia urged to print more money: Russia is in a critical financial position and will need to print vast quantities of money to avoid financial collapse, first deputy economics minister Jakov Urinson told parliament. Page 3

Car sales decline halts: West European new car sales rose by 6 per cent to 1.023m in January, halting 12 months of decline. Page 3

White right threatens S Africa poll: Prospects for peaceful elections in South Africa receded further when the white rightwing Afrikaner Volksfront said it would not take part in April's all-race elections and would disrupt the poll. Page 4

K-Tel sues Tring International: Tring International, the recording group which is to be listed on the London stock exchange this month, is being sued by K-Tel International of the US, which alleges that unauthorised copies of its recordings appear on more than 10 per cent of Tring's albums. Page 18

Guy's hospital to be downgraded: Guy's, the London teaching hospital, will cease to provide mainstream medical services under a reorganisation of hospital services. Page 8

■ STOCK MARKET INDICES		
FT-SE 100:	3407.0	(-22.1)
Yield	3.46	
FT-SE Eurotrack 100	1499.22	(-5.67)
FT-SE-A All-Share	1715.97	(-0.6%)
Nikkei	19,990.70	(+149.32)
New York lunchtime:		
Dow Jones Ind Ave	3916.45	(-15.47)
S&P Composite	470.71	(-2.06)

■ US LUNCHTIME RATES	
Federal Funds:	$3\frac{1}{8}$%
3-mo Treas Bills: Yld	3.312%
Long Bond	$97\frac{15}{32}$
Yield	6.414%

■ LONDON MONEY		
3-mo interbank	$5\frac{3}{16}$%	($5\frac{1}{4}$%)
Liffe long gilt future:	Mar $115\frac{3}{4}$	(Mar$115\frac{13}{32}$)

■ NORTH SEA OIL (Argus)		
Brent 15-day (Mar)	$13.565	(13.53)

■ Gold		
New York Comex (Feb)	$382.8	(384.0)
London	$382.25	(381.8)

■ STERLING		
New York lunchtime:		
$	1.4645	
London:		
$	1.4615	(1.4605)
DM	2.5625	(2.5708)
FFr	8.7036	(8.7255)
SFr	2.1601	(2.16)
Y	158.50	(157.502)
£ Index	80.8	(80.8)

■ DOLLAR		
New York lunchtime:		
DM	1.753	
FFr	5.9535	
SFr	1.4775	
Y	108.45	
London:		
DM	1.7534	(1.7603)
FFr	5.9553	(5.9745)
SFr	1.478	(1.479)
Y	108.45	(107.845)
$ Index	67.5	(same)
Tokyo close Y 108.25		

Austria	Sch32	Greece	Dr350	Lux	LFr65	Qatar	QR13.00
Bahrain	Din1.250	Hong Kong	HK$18	Malta	Lm0.60	S.Arabia	SR11
Belgium	BFr65	Hungary	Ft185	Morocco	MDh15	Singapore	S$4.30
Bulgaria	Lw25.00	Iceland	IKr215	Neth	Fl 4.00	Slovak Rp	KSL50
Cyprus	C£1.10	India	Rs60	Nigeria	Naira50	South Africa	R12.00
Czech Rp	CZK50	Israel	Shk6.90	Norway	NKr17.00	Spain	Pta225
Denmark	DKr16	Italy	L3000	Oman	OR1.50	Sweden	SKr18
Egypt	E£5.00	Japan	Y500	Pakistan	Rs40	Switz	SFr3.30
Finland	FM14	Jordan	JD1.50	Philippines	Pso50	Syria	S£50.00
France	FFr9.00	Kuwait	Fils.625	Poland	Zl 32,000	Tunisia	Din1.500
Germany	DM3.50	Lebanon	US$1.50	Portugal	Es225	Turkey	L13000
						UAE	Dh12.00

Moscow calls for UN Security Council meeting to head off threat to Serbia

Russia opposes air strikes

By John Lloyd in Moscow, Robert Mauthner in London and Judy Dempsey in Geneva

Russia yesterday called for an urgent meeting of the United Nations Security Council in an attempt to head off Nato air strikes against the Bosnian Serbs, threatened in a Nato declaration on Wednesday.

The council, which is expected to meet today, should examine "practical ways of demilitarising Sarajevo and introducing direct rule by the United Nations", said Mr Grigory Karasin, Russia's foreign ministry spokesman.

Mr Boutros Boutros Ghali, the UN secretary-general, had a duty to consult the council before declaring any action, Mr Karasin added.

In Washington, however, a senior aide to President Bill Clinton said he saw no need for a Security Council session. He said existing council resolutions gave enough authority to launch air strikes if the Bosnian Serbs refused to pull back their heavy weapons.

Another White House official said Mr Clinton had been trying without success to telephone Russian President Boris Yeltsin who, according to a Kremlin spokesman, had retired to his country residence with a cold.

The Russian demand underlines widening differences between Moscow and Nato on the question of air strikes. This threatens to end a broad agreement about the international response to fighting in the former Yugoslavia and it could to deepen the a rift already visible over Russia's actions in the former Soviet republics on its borders.

Nato's ultimatum requires the Bosnian Serbs to withdraw their heavy artillery and tanks surrounding Sarajevo from a 20km zone around the centre of the capital, or place them under UN control. It also calls on the mainly Moslem government of Bosnia-Hercegovina to place its heavy weapons within the same exclusion zone under UN control.

In Bosnia yesterday, there were signs the Serbs were already acting to avoid air strikes. Serb forces around Sarajevo allowed UN peacekeeping troops to move into six frontline zones as part of a plan to lift the siege of the Bosnian capital. The troop movements came after Mr Radovan Karadzic, the Bosnian Serb leader, said during peace talks in Geneva that his forces would implement an agreement to withdraw their artillery and put it under UN control.

In Moscow, Mr Anatoly Adamishin, Russia's first deputy foreign minister, challenged Nato's right to make "threats and ultimatums to use force".

However, he also stressed that Russia shared the horror expressed at the deaths caused by the mortar attack in Sarajevo last weekend, and he saidRussia would agree to "press for 'peace by force' if if all members of the Security Council agree".

Western diplomats acknowledge that the Russian government is under growing pressure from nationalist forces. But they believe that air strikes would not seriously damage the west's relationship with Russia.

Russia's request for an emergency council meeting was due to be discussed at closed-door consultations at the UN in New York last night and be part of a debate already called for by Bosnia and Islamic governments in support of the Nato action.

Continued on Page 16

Drawing the line: General Sir Michael Rose, commander of UN troops in Bosnia (right) with General André Soubiron visit an area of Sarajevo which has been contested by Bosnian government troops and Bosnian Serbs. UN troops are to patrol the area as part of a new ceasefire AP

Nato's ultimatum to Serbs: Reports and analysis ...Page 2

Britain backs Nato as US threatens rift

By Philip Stephens, Political Editor, in London

Britain acquiesced in this week's Nato ultimatum to the Serbian forces besieging Sarajevo only after a blunt warning from the US that refusal would permanently damage the western alliance, it emerged yesterday.

The acknowledgment that Britain had bowed to US and French pressure came as British Conservative MPs voiced concern that the threat of Nato air strikes might draw the west into much greater military involvement in Bosnia.

After a meeting with senior ministers, the MPs said they would push for an immediate withdrawal of the 2,500 British troops in the former Yugoslav province if the 10-day ultimatum causes an escalation in the conflict.

But as the UK government temporarily suspended its aid convoys in Bosnia for fear of retaliation, ministers admitted that the choice had been between supporting the Nato plan and a damaging rift with the US.

It is understood that in a telephone call on Wednesday President Bill Clinton warned Mr John Major that if Britain blocked the strategy it might seriously undermine the US commitment to Nato.

Senior ministers said Mr Clinton had made it clear that failure to act would strengthen the hand of those in Washington arguing for a much faster and bigger disengagement of US forces from Europe.

Mr Major, whose government was at odds with Mr Clinton over the admission to the US this month of Mr Gerry Adams, the Sinn Féin leader, judged that Britain could not afford another damaging breach.

GM back to profit for first time in four years

By Richard Waters in New York

General Motors' core North American automotive business returned to profit in the final months of last year, producing its first quarterly after-tax profit for four years.

The $427m (£292m) net income in North America, with a solid performance in Europe in the face of a weak car market, helped the US's biggest car manufacturer to match the most optimistic stock market expectations. It reported fourth-quarter net income of $1.2bn, or $1.28 a share, compared with a loss of $652m or $1.25 a share in the comparable period a year before.

GM continued to predict a return to net profits for this year as a whole in its North American operations, although it said the need to adapt manufacturing facilities for new models would lead to the loss of some production capacity during the year.

GM's net income for 1993 as a whole was $2.5bn, compared with a loss of $2.7bn for 1992. Sales increased to $125bn from $119bn and gross profit margin to 15 per cent from 11.1 per cent.

The improvement stemmed from a mix of cost-cutting and higher vehicle sales. Much of the benefit came from closing plants and lower materials costs, said Mr Rick Wagoner, chief financial officer.

GM's results are comparable with those of its big US rivals, Chrysler and Ford, both of which have also reported a marked improvement in 1993 as the US market has expanded. The car companies have noted, though, that they need to generate enough cash to strengthen their balance sheets before the next cyclical downturn.

With an unfunded pension liability of $22.3bn at the end of 1993 (up from $14bn a year before), GM has more ground to make up in that regard than the others.

Productivity gains had reduced the time spent on producing each vehicle by more than 10 per cent last year, the company said.

GM's share of total vehicle

Continued on Page 16
European car registrations, Page 2

Hata wants to heal trade rift with US

By Nancy Dunne in Washington

Mr Tsutomu Hata, Japan's foreign minister, yesterday said that both Japan and the US were determined to settle their differences over trade. But both nations insisted privately that they could not compromise on US demands for measuring the progress of access to Japanese markets.

Mr Hata's visit was an attempt to avert confrontation before last night's scheduled arrival of Mr Morihiro Hosokowa, Japanese prime minister. It injected into the trade talks the vital military and foreign policy relationship between the two economic superpowers.

Ahead of Mr Hosokawa's summit with President Bill Clinton, Mr Hata is understood to have raised national security concerns to stress that trade problems were not the only important bilateral issue.

Mr Hata had a two-hour breakfast with Mr Mickey Kantor, the US trade representative. He was also scheduled to meet vice-president Al Gore; Mr Warren Christo-

Continued on Page 16
Tough budget urged, Page 4
Unpredictable summit, Page 15

E Europe reactors face legal delay to 'urgent' repairs

By Lucy Plaskett

Western European nuclear companies are refusing to carry out urgent nuclear safety repair work in eastern Europe and the CIS until they have protection against liability in case of accidents.

Foratom, the European federation of nuclear trade associations, has written to Sir Leon Brittan, the European Union's external economic affairs commissioner, warning that unless western nuclear companies are protected against legal action they will withdraw from nuclear repair work in the region.

The companies are concerned that they would be liable for accidents during work to repair or replace ailing Soviet designed nuclear reactors.

The move will delay the flow of European Commission nuclear safety funds to the region under its technical assistance programmes. It will also prevent companies from signing large repair contracts under the Nuclear Safety Account, the multilateral aid fund set up by the Group of Seven industrialised countries in 1992 .

International experts have identified a number of Soviet-designed reactors that are in urgent need of repair, in particular the first generation pressurised water reactors, the VVER 230s, and the RBMK Chernobyl design.

While western nuclear companies have participated in studies and training at the plants, they will not replace equipment until they have legal protection against the consequences of accidents.

Most countries with VVER 230s and RBMK reactors have not signed the 1963 Vienna Convention, which ensures that full responsibility for damages caused by accidents falls exclusively on plant operators.

The Commission has said it cannot guarantee to pay damages. It has asked countries receiving aid to sign bilateral agreements with nuclear companies protecting them against legal action. The nuclear industry argues that such deals do not give sufficient protection.

Foratom met Commission officials yesterday to find an interim solution which would allow vital safety work to go ahead. One option could be for recipient countries, western European governments and possibly the industry itself to set up a fund.

Lucy Plaskett is editor of EC Energy Monthly, a Financial Times newsletter

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Clinton wins respite from the clamour

By Jurek Martin in Washington

The Nato ultimatum buys President Bill Clinton some immediate relief from public pressure, but this may grow again if Bosnian Serbs do not *withdraw their guns from* around Sarajevo or if other Moslem enclaves under UN protection come under renewed fire.

The drumbeat for action had been growing louder in Washington this week in Congress, in opinion polls and in the media. *But, as the Congressional* Democratic leadership reported after a meeting with Mr Clinton late on Wednesday, *the general caveat* is that the US should not act alone and should not insert its own troops to enforce a settlement.

Reflecting this, initial editorial comment yesterday about the new Nato approach was by no means favourable. Both the New York Times and the *Washington Post said that* air strikes, while "emotionally satisfying" as retaliation against the Serbs, would not in themselves *induce a settlement.*

The Times argued again that "the surest way out in the long term" was to lift the UN arms embargo to permit Bosnia "to defend itself." Its columnist, William Safire, positing the choice of "intervention now or disaster later," wrote that "peace in the Balkans will come not when the Moslems agree to be good victims, nor when Christians and Moslems 'get tired of killing each other,' in Clinton's callous phrase, but when a good ol' European balance of power is achieved".

The Post, *echoing an argument* used often this week by Mr Laurence Eagleburger, the former secretary of state and a Balkan expert, wrote that "it is American credibility that concerns us most," a problem that would only be compounded if this latest Nato threat turned out to be "empty". It concluded: "More talk policy is an obscenity. If the government isn't conducting a serious policy, it should shut up."

Divisions inside the administration still persist on what to do if the Nato ultimatum is ignored. Mr William Perry, like most secretaries of defence, is cautious on the effectiveness of limited military force, while *Mr Warren Christopher*, secretary of state, prefers diplomatic solutions.

An additional constraining force remains Russia, vehemently critical of the air strike option. An indication of US concerns came from Mr Clinton on Wednesday night, when *he said he had tried to talk to* President Yeltsin by telephone but had been thwarted by technical problems.

The higher profile now given by the US to negotiations is both a nod in the direction of Moscow and, according to the state department, a response to direct appeals from Europe, led on this occasion by France.

Nevertheless, it does involve some shift in US tactics. *Having repeatedly said that it* would be wrong to exert undue pressure on the Moslems, because they have been the principal victims, the administration has now undertaken precisely this mission, hedged about as it is with qualifications about concessions that can reasonably be expected from the Bosnian government.

The current US diplomatic effort, according to Mr Clinton, is to determine Bosnia's "legitimate bedrock requirements" for a peace settlement. Yesterday, Mr Mohammed Sacirbey, *the UN ambassador*, defined these as the creation of "a viable state," the return of refugees "to homes from which *they have been ethnically* cleansed," and access to the Adriatic Sea, now under negotiation with Croatia.

Mr Clinton himself has been conspicuously cautious in his own prognoses. "There is no such thing as a risk-free air operation," he said and no guarantee that the warring parties can be brought to a settlement. On both scores, any respite he has obtained may be brief.

French United Nations peacekeeping soldiers advancing yesterday to take up position on the ceasefire line between Moslem and Serb forces in Sarajevo Reuter

West creates new uncertainties

By Robert Mauthner, Diplomatic Editor

Whichever way one looks at it, the Nato ultimatum to the Bosnian Serbs to withdraw their artillery surrounding Sarajevo within 10 days or face air strikes, has created a new ball game.

It marks a fresh departure in the policy of the Atlantic alliance, which has never before planned to take offen*sive action and has always in* the past refused to intervene in conflicts which do not directly threaten its own territory.

The calculation of members of the alliance, of course, is that the Bosnian Serbs will comply with their demand to withdraw their heavy weapons and tanks within a 20km zone from the centre of Sarajevo or place them under United Nations control, thus making air strikes unnecessary. That calculation is based on the belief that, in contrast with previous declarations of the same kind, Nato's latest warning is likely to be taken seriously by the Bosnian Serbs, because for the first time it is tied to a specific deadline.

Similar threats, notably in August 1993 and last month, did not have a deadline attached to them and could *therefore be seen as insubstan*tial bluster, which did not need to be taken too literally.

If the Bosnian Serbs fail to comply this time, Nato does not have any other choice than to carry out its threat. If it does not do so, it will lose what little credibility it still has and might as well pack its bags and admit that it has no further role to play as an effective security organisation in a post-cold war Europe.

A new ball game has also been created on the ground in Bosnia, with unforeseeable consequences. The fact that Nato, some of whose members are the biggest contributors to UN forces in Bosnia, has largely abandoned its neutral role and has adopted a clear anti-Bosnian Serb stance, is *likely to make the UN's peace*keeping and aid operations much more hazardous.

The Bosnian Serbs have *already made clear that they* will not hesitate to retaliate against UN forces if air strikes are launched. But even if these air attacks do not take place, the Serbs could make life very difficult for both the peacekeepers and the aid workers, particularly in enclaves such as Srebrenica, where Canadian troops are encircled by Bosnian Serbs.

The main weakness of the Nato declaration is that it concentrates entirely on the situation in Sarajevo. It does not seem to be based on a long-term strategy for the solution of the 22-month-old conflict, other than reaffirming its general support for a negotiated settlement.

The best outcome is that, as the result of the UN's and *Nato's more muscular stance*, a separate agreement can now be negotiated for Sarajevo, demilitarising the Bosnian *capital and placing it under* UN administration. Such an agreement could form a building-block for an overall Bosnian peace agreement, but no more than that.

There are many more complicated problems which will remain to be solved even if a satisfactory status for Sarajevo can be agreed between the warring parties. For the Bosnian Moslems, it is at least equally important that the 33 per cent of Bosnia-Hercegovina's territory which is due to be allocated to them is properly consolidated and amounts to a viable nation, however small. At the moment that is certainly not the case, since most of the Moslem enclaves which have been designated as "safe areas" by the UN are sur*rounded by Serb territory.*

Territorial disputes between Moslems and Croats continue to be the cause of some of the most bitter fighting in central Bosnia.

To believe, therefore, that a comprehensive peace settlement in Bosnia is just around the corner as the result of Nato's new muscular stance is clearly an illusion. It will have achieved a worthwhile result if relief can be brought to the martyred population of Sarajevo. But that will merely switch attention to other disaster areas in Bosnia.

Nato lays to rest its past ambiguity on Bosnia

By Lionel Barber in Brussels

Nato's ultimatum to the Bosnian Serbs to pull back their artillery from the vicinity of Sarajevo or face air-strikes marks a turning point.

For the first time in the 22-month-old civil war, *the alliance* has committed itself to using force according to a clearly defined set of criteria. *The ambiguity of past commu*niqués has gone.

The ultimatum may also come to be seen as the moment when Nato stopped the rot in its own house and started to fashion a new, productive military co-operation between the US and France, the two countries that made the running throughout nearly 13 hours of talks last Wednesday.

The carnage wrought by a mortar attack on Sarajevo market last weekend undoubtedly created a political tailwind in favour of action; but a second calculation in Brussels was the damage to Nato's credibility if the alliance failed to live up to its own promises to prevent the strangulation of Sarajevo.

As one senior Nato diplomat said: "There was a recognition that there was a risk to the alliance.... That led people to say 'We have got to come to terms with this now'."

Mr Manfred Wörner, Nato secretary general, expressed a *mixture of delight and relief* that Nato unity had come through virtually unscathed (with the exception of Greece *"disassociating" itself from the* decision without blocking it). "This is a historic moment. It is a decisive moment in the life of the alliance."

But Mr Wörner made clear that he was not predicting that Nato, the alliance founded in 1949 to defend western Europe against communism, would soon be moving into a combat role in former Yugoslavia.

Like President Bill Clinton and other western leaders, Mr Wörner hopes that the mere threat of Nato warplanes will be enough to clear the hills of Serb and Bosnian government artillery, establishing a firmer basis for a permanent ceasefire and a more promising start for *a political settlement built* around the demilitarisation of Sarajevo.

Diplomats at Nato headquarters have over the past week suggested there is little appetite for protracted air strikes; still less is there a desire to commit the extra ground forces needed to consolidate bombed terrain.

The extent of Franco-American co-operation in the drafting of the ultimatum was at first sight remarkable, given recent public squabbling. The Clinton administration's oppo*sition to commit troops to the* UN peace-keeping effort while reserving its own position on the UN-European plan for a political settlement is partly to blame; but so too is France's long-standing ambiguous attitude to Nato itself, where it is a political member but remains outside the military command.

Lately, however, Paris has shown signs of re-evaluating its position on Nato, recognis*ing that for the moment it* remains the best security bet in town. This week, France and the US worked hand-in-glove as great powers and the smaller states followed.

Britain kept quiet. It would be easy, but wrong, to read this passivity as one more sign of strained relations with the Clinton administration. For as one UK diplomat observed, there is no greater interest for *Washington and London at the* moment than binding France further into Nato, the one organisation which guarantees US engagement in the *affairs* of the continent.

Paris seeks broader peace mission

By David Buchan in Paris

France yesterday sought to cement its new diplomatic partnership with the US over Bosnia by raising the possibility of an American mediator, and maybe even a Russian one, joining the peace effort.

An Elysée spokesman said this idea of enlarging the Owen-Stoltenberg peace mission had been raised at a meet*ing yesterday between Presi*dent François Mitterrand's chief of staff and Mr Peter Tarnoff, the US under-secretary of state for political affairs, and Mr Charles Redman, President Clinton's special envoy on Yugoslavia. The agreed aim, he said, was "not to launch a big new *diplomatic initiative*, but to reinvigorate the existing peace process with American help".

Having persuaded Nato to adopt its military ultimatum *on Wednesday, France and the* US turned their attention yesterday to diplomacy. Mr Alain Juppé, the French foreign minister, also met the two Americans and said afterwards: "There is now a common Franco-American desire to relaunch a political solution ... involving maintaining pressure on the Serbs and Croats, and an effort of persuasion on the Moslems."

The US envoys were reported to have promised to discuss with the Moslems the whole of their demands and to see which "reasonable" demands could be worked into a modified version of the European peace plan.

But the US continued to *insist that the Serbs must still* make most of the concessions and that, if sanctions against Serbia were progressively removed, as the Europeans have suggested, some leverage *on Belgrade should be retained* until the very end – by, for example, maintaining the freeze on Serb assets abroad. French officials said they largely agreed with these points.

In the wake of the Sarajevo ultimatum, the Elysée spokesman said US and French officials confirmed the earlier Nato decision to help peace-keeping forces in Tuzla and *Srebrenica, and to examine* other areas for similar action, like Mostar or Vitez.

Mr Mitterrand and his government were said to favour sending the aircraft carrier Foch to the Adriatic "because it could be useful if our troops get into difficulty", the spokesman said. But the carrier's dispatch might be delayed for a few more days "so that it would not be interpreted as a unilateral French act, outside what Nato is doing".

Juppe' speaking yesterday of common Franco-American goals Reuter

West plays down warning from Russia

By John Lloyd in Moscow

Russia's opposition to air strikes against Serb positions *in Bosnia, repeated yesterday* by Mr Anatoly Adamishin, the first deputy foreign minister, is not yet causing much concern to the west.

There are two reasons. First, western diplomats believe that, despite their protests yesterday, the Russian leadership will not react dramatically if air strikes go ahead. Second, they believe that Russia, with the US, is being drawn into the negotiating process and understands that no-one in the west wants strikes except as a last resort.

However, it is recognised that President Boris Yeltsin and his government are under strong pressure from nationalists. Mr Vladimir Zhirinovsky, leader of the ultra-right Liberal Democratic party, said on Wednesday in parliament that he would destroy the countries of those pilots which bombed Serbian positions.

Less vividly, Mr Sergei Stankevich, a former presidential adviser, warned that the "consensus" which had existed with the west on the conflict would be destroyed by air strikes. "The ability of the Russian government to play the role of loyal partner is limited ... by public opinion."

One senior diplomat who had held a session with foreign ministry officials on the issue *yesterday said that the Rus*sians had questioned whether the UN mandate allowed air strikes. They argued that the effect would be to drive the Serbs and Moslems out of the negotiating process, the former in protest and the latter because they would assume the west was now on their side.

Mr Adamishin's comments yesterday – he said that "making threats and ultimatums is *not Nato's business*" – *were* aimed largely at ensuring that the UN was in charge of the process.

The US state department said that Russia's objections "did not differ in some cases from the concerns of some European allies". Mr James Collins, *US ambassador at* large for the former Soviet states, has had discussions with Russian officials and was said by one diplomat last night to be satisfied that Moscow was not too alarmed by the prospect of strikes.

However, it is clear that the general agreements between the west and Russia on foreign policy have recently been under strain over the expansion of Russian power in the former Soviet states.

Calculating risks to the peacekeepers

By Daniel Green

The first challenge for Nato tacticians in implementing a threat of air strikes in Bosnia will be to find and destroy gun emplacements.

The emplacements, which are small and mobile, can be found through analysing the trajectory of an incoming shell, or by *"forward control teams"* – 40 of which Nato has working covertly in Bosnia, according to Mr Edward Foster of the Royal United Services Insti*tute in London. These teams can pick* out targets for attacking aircraft.

Those aircraft are likely to be F-16 fighters based in Aviano and Villafranca, northern Italy and possibly Jaguar aircraft based in Gioia Del Colle, southern Italy. To deal with tanks, Nato may also bring in A-10 "Warthog" anti-tank aircraft, and possibly AC-130 Spectre aircraft, based at Brindisi.

On the Serbian side, a number of *defences might be employed. They* could mount an air defence, although Nato could deploy Tornado F-3 aircraft in convoy with F-16s and A-10s to deter *this - Tornados F-3s can spot incoming* aircraft early and fire long-range missiles at them. They could also fire anti-aircraft guns. These have already been used in Bosnia as heavy machine guns, says Mr Foster. Nato forces would deal with these in the same way as artillery and mortars.

More difficult could be surface-to-air missiles. According to the Military Balance, published by the International *Institute for Strategic Studies, the Ser*bian side could have as many as 60 radar-guided SA6 missiles. The radar can be jammed, or radar-homing mis*siles, which follow the radar signal to* its source, can be used. The US aircraft carrier Saratoga in the Adriatic sea is carrying this equipment.

Finally, Serbian forces could respond to air attacks by retaliating against the 11,000 UN troops on the ground.

Some, like the British, have Warrior armoured vehicles, which are proof against all but heavy weapons, but others, including the French and Ukrainian forces in Sarajevo and Canadians in Srebrenica have only vehicles that will protect them against small arms. The most vulnerable of all, will be the troops' support units and the *UNHCR* relief workers.

Nato communiqué rejects extension of deadline

The Council: (1) expresses its indignation at the indiscriminate attacks which have once again struck the people of Sarajevo in recent days;

(2) notes that the siege of Sarajevo is continuing, and that consequently the Bosnian Serbs bear the main responsibility for the tragic loss of civilian life that results from it;

(3) reaffirms the Alliance's support for a negotiated settlement of the *conflict in Bosnia, agreeable to all* parties;

(4) recalls that on 11th January 1994, the Heads of State and Gov*ernment of the members of the All*iance reaffirmed their readiness, in accordance with the Alliance decisions of 2nd and 9th August 1993, to carry out air strikes in order to prevent the strangulation of Sarajevo;

(5) commends the European Union Action Plan of 22nd November 1993 to secure a negotiated settlement, and considers, in this context and with regard to UN Security Council Resolutions 824, 836, and 844 that the lifting of the siege of Sarajevo could be a step toward the placing *of Sarajevo under UN administra*tion, in conformity with that plan; also commends the current efforts of the UN negotiators toward securing the demilitarization of Sarajevo;

(6) condemns the continuing siege of Sarajevo and, with a view to ending it calls for the withdrawal, or regrouping and placing under Unprofor control, within ten days, of heavy weapons (including tanks, artillery pieces, mortars, multiple rocket launchers, missiles and anti-aircraft weapons) of the Bosnian Serb forces located in an area within 20km of the centre of Sarajevo, and excluding an area within two kilometres of the centre of Pale;

(7) calls upon the Government of Bosnia-Herzegovina, within the same period, to place the heavy weapons in its possession within the Sarajevo exclusion zone described *above under Unprofor* control, and to refrain from attacks launched from the current confrontation lines in the city;

(8) calls upon the parties to respect the ceasefire; all concerned should make every effort, during this ten-day period, to achieve by agreement the withdrawal or control of heavy weapons as called for in the preceding paragraphs; failure to reach such agreement will not result in the extension of this period;

(9) authorizes the Nato Military Authorities to support Unprofor in carrying out its task of identifying heavy weapons that have not been withdrawn or regrouped in confor*mity with these decisions;*

(10) decides that, ten days from 2400 GMT 10th February 1994, heavy weapons of any of the parties found within the Sarajevo exclusion zone, unless controlled by Unprofor, will, *along with their direct and* essential military support facilities, be subject to Nato air strikes which will be conducted in close co-ordination with the UN Secretary General and will be consistent with the North Atlantic Council's decisions of 2nd and 9th August 1993;

(11) accepts, effective today, the request of the UN Secretary General of 6th February and accordingly authorises the Commander-in-Chief, Allied Forces Southern Europe to launch air strikes, at the request of the United Nations, against artillery or mortar positions in or around Sarajevo (including any outside the exclusion zone) which are deter*mined by Unprofor* to be responsible for attacks against civilian targets in that city;

(12) demands strict respect for the *safety of Unprofor and other UN* and relief agency personnel throughout Bosnia-Herzegovina and for the right of free access of all these *personnel to Sarajevo;*

(13) asks the Secretary General to inform the Secretary General of the United Nations of these decisions.

Footnote 1:

Greece dissociates her position as indicated in the statement recorded in the minutes.

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt am Main, Germany. Telephone ++49 69 156 850, Fax ++49 69 5964481, Telex 416193. Represented in Frankfurt by J. Walter Brand, Wilhelm J. Brüssel, Colin A. Kennard as Geschäftsführer and in London by David G.M. Bell and Alan C. Miller. Printer: DVM Druck-Vertrieb und Marketing GmbH, Admiral-Rosendahl- Strasse 3a, 63263 Neu-Isenburg (owned by Hürriyet International).
Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL, UK. Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd,London and F.T. (Germany Advertising) Ltd, London. Shareholder of the above mentioned two companies is: The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL. The Company is incorporated under the laws of England and Wales. Chairman: D.C.M. Bell.

FRANCE
Publishing Director: J. Rolley, 168 Rue de Rivoli, F-75044 Paris Cedex 01. Telephone (01) 4297-0621, Fax (01) 4297-0629. Printer: S.A. Nord Eclair, 15/21 Rue de Caire, F-59100 Roubaix Cedex 1. Editor: Richard Lambert. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

DENMARK
Financial Times (Scandinavia) Ltd, Vimmelskaftet 42A, DK-1161 CopenhagenK. Telephone 33 13 44 41, Fax 33 93 53 35.

Russia 'must print money or face crisis'

By John Lloyd in Moscow

The new Russian government is in a critical financial position and will need to print vast quantities of money to avoid financial collapse, Mr Jakov Urinson, first deputy economics minister, told the state duma (lower house) yesterday.

Mr Urinson said 75 per cent of Russian enterprises were urgently calling for priority support because of heavy debts, and that the budget deficit in the first quarter of the year had already mounted to Rbs12,000bn.

In an account which lay much blame at the door of the former administration, Mr Urinson said the government's failure to pay wages and other bills last year had left a huge budget deficit in the first quarter of this year. At the same time, short-term, three-month bonds issued by the last government were now falling due, to the tune of Rbs850bn.

Mr Urinson said the demands from enterprises for more credits had aggravated the crisis, and that a document was being prepared discriminating between those enterprises needing funding and those which should be allowed to fail.

He said Rbs130,000bn would be set aside for investment in the forthcoming budget – with the share of investment going to defence unchanged, but the security budget being raised. Some 40 per cent of expenditure would be devoted to social spending.

The target for monthly inflation by the end of the year was 10 per cent, he said, and the government was aiming to reduce the budget deficit to 5-6 per cent of gross national product.

The crisis appears to be compounded by a lack of any new

Chernomyrdin: lack of ideas

ideas from the government of Mr Victor Chernomyrdin whose members had sworn to fight inflation and budget deficits by means other than the monetary ones favoured by Mr Boris Fyodorov, the former finance minister, and Mr Yegor Gaidar, the former first deputy prime minister for the economy.

Mr Fyodorov, who was present at the hearings as a parliamentary deputy, said: "If we don't stop the collapse of the financial system we will have to change the government every three months."

In newspaper interviews, Mr Gaidar said attempts were being made in plans put forward by academics and former ministers, to reinstate controls which would prevent stabilisation of the economy. These would "bring the country back to chaos," he said.

However, Mr Urinson said the much-criticised high taxes would stay, but enterprises' bank accounts would be scrutinised more rigorously and further controls would be put on payments to regions and republics within Russia.

Car sales end year-long decline

By Kevin Done, Motor Industry Correspondent

West European new car sales rose by an estimated 6 per cent to 1.023m in January, halting 12 months of unbroken decline in the European market.

New car sales in 1993 fell by an estimated 15.2 per cent to 11.45m, the steepest decline since the war.

Carmakers' forecasts suggest only a marginal recovery this year of 1-2 per cent.

According to industry estimates, sales in January were higher in 11 of 17 markets across west Europe, led by big increases in three of the large volume markets, the UK, France and Spain.

New car sales fell by 10 per cent in Italy, however, and sales in Germany were little changed, with an estimated fall of 1 per cent.

Motor industry leaders cautioned that the apparent strength of the overall market in January was misleading, as sales a year ago had been depressed by changes in taxation and exhaust emissions regulations.

New car sales in Spain last month were 28.6 per cent higher than a year ago but were still 26 per cent below the average for January during the last five years.

Sales in France rose last month by 15 per cent year-on-year, but according to the French carmakers' federation the underlying trend in demand was still downward after eliminating distorting factors.

Among the big six volume carmakers, Ford and General Motors (Opel/Vauxhall) both gained market share helped by their large presence in the UK, where the overall market grew by 20 per cent year-on-year.

The Volkswagen group of Germany and Fiat of Italy, both of which plunged into heavy losses last year, continued to lose market share in January, as they suffered in particular from the weakness of their home markets.

Among the specialist carmakers Mercedes-Benz has reversed a long period of decline and has overtaken BMW, its arch domestic rival, which had outsold Mercedes-Benz for the last two years.

Mercedes-Benz's fortunes have been boosted by the successful launch last summer of its new C-Class executive range.

BMW will take on a new scale in Europe, however, through its planned purchase of Rover from British Aerospace. Rover, the strongest performer among leading carmakers in the west European market last year, clearly outperformed BMW in January.

It increased its sales by an estimated 17 per cent year-on-year to capture a market share of 3.5 per cent, while BMW's sales declined by 5 per cent.

WEST EUROPEAN NEW CAR REGISTRATIONS
January 1994

	Volume (Units)	Volume Change(%)	Share (%) Jan 94	Share (%) Jan 93
TOTAL MARKET	1,023,000	+5.9	100.0	100.0
MANUFACTURERS:				
Volkswagen group	161,000	–0.1	15.7	16.7
– Volkswagen	111,000	–1.5	10.8	11.6
– Audi	25,000	–1.7	2.4	2.6
– Seat	22,000	+2.9	2.1	2.2
– Skoda*	3,800	+51.0	0.4	0.3
General Motors#	131,000	+9.4	12.8	12.4
– Opel/Vauxhall	126,000	+9.4	12.3	11.9
– Saab**	3,500	+3.8	0.3	0.3
Ford#	126,000	+10.8	12.3	11.7
– Ford Europe	124,000	+10.7	12.1	11.6
– Jaguar	1,200	+10.3	0.1	0.1
PSA Peugeot Citroen	125,000	+6.8	12.2	12.1
– Peugeot	71,000	+1.1	6.9	7.2
– Citroen	54,000	+15.3	5.3	4.9
Fiat group##	121,000	–5.1	11.8	13.2
– Fiat	92,000	–2.8	9.0	9.8
– Lancia	16,000	–11.4	1.6	1.9
– Alfa Romeo	12,000	–15.5	1.1	1.4
Renault ††	100,000	–0.1	9.8	10.4
BMW group†	68,000	+5.5	6.6	6.7
– BMW†	32,000	–5.2	3.2	3.5
– Rover†	36,000	+17.3	3.5	3.1
Mercedes-Benz	43,000	+57.8	4.2	2.8
Nissan	37,000	+18.1	3.6	3.2
Toyota	24,000	+11.8	2.4	2.3
Volvo ††	17,000	+22.1	1.7	1.5
Mazda	15,000	+0.3	1.5	1.6
Honda†	12,000	+15.3	1.2	1.1
Mitsubishi	9,000	–10.5	0.9	1.1
Total Japanese	111,000	+5.9	10.9	10.9
MARKETS:				
Germany	235,000	–1.4	23.0	24.6
United Kingdom	199,000	+20.4	19.4	17.1
Italy	182,000	–10.0	17.8	20.9
France	130,000	+15.0	12.7	11.7
Spain	53,000	+28.6	5.2	4.3

*VW holds 31 per cent and management control of Skoda.
#Includes cars imported from US and sold in western Europe.
**GM holds 50 per cent and management control of Saab Automobile.
††Renault and Volvo are linked through minority cross-shareholdings.
Fiat group includes Lancia, Alfa Romeo, Innocenti, Ferrari and Maserati.
†BMW plans to take an 80 per cent holding in Rover vehicle operations, where Honda holds a 20 per cent stake.

Source: Industry estimates

Firrao faces corruption charges

Former Italian export credit chief extradited

By Robert Graham in Rome

The Swiss authorities yesterday extradited to Italy Mr Ruggero Firrao, a former head of Sace, the Italian export credit guarantee organisation, to face corruption charges.

Mr Firrao is the sixth person in a year to have been arrested in connection with alleged large-scale abuses of Sace credit guarantees.

He was arrested last September by Swiss police after the issue of an international arrest warrant.

According to Rome magistrates, Mr Firrao is alleged to have received at least L1.4bn (£567,260) from three Italian companies in exchange for Sace paying indemnities to them for work carried out in Libya, Tunisia and Turkey.

Some of these monies were allegedly shared with two other members of Sace. Mr Firrao, aged 70, and a one-time member of the executive committee of the Bank of Italy, left Sace in 1985 and became a consultant also working for the organisation.

In a separate development, Rome magistrates have begun investigations into the role played by Mr Gianpiero Cantoni, the former chairman of BNL, in granting credits to Mandelli, a Piacenza-based robotics group recently placed in liquidation.

Mr Cantoni stepped down as chairman on Monday after a special board meeting; and on Tuesday the Bank of Italy passed papers on BNL's relationship with Mandelli to the magistrates.

BNL is Mandelli's biggest creditor with outstanding loans of over L100bn.

The magistrates are understood to be investigating a loan of L75bn to Mandelli in December 1991 via BNL's offices in London.

The explanations for the purpose of this loan apparently did not satisfy Bank of Italy inspectors and the magistrates are now trying to ascertain whether the funds were used to buy out a stake held in an engineering company, which was ultimately owned by Mr Cantoni's family interests.

TAP pay freeze accord disputed

By Peter Wise in Lisbon

TAP-Air Portugal, the state airline, claimed yesterday to have agreed a pay freeze for the year with its cabin attendants, a statement challenged by the union which represents them.

A spokesman for the airline said the union signed an agreement accepting whatever wage increases were determined for the whole company between 1994 and 1997. "We have already made it clear there will be no increases for anyone in 1994 and the union has clearly accepted that," he said.

However, Mr Jose Braz, president of the union representing TAP's 1,300 flight attendants, said that the company was deliberately misinterpreting the agreement and that the union was still pressing for a 7 per cent wage increase.

He said they had agreed maximum flying time would rise from 550 to 750 hours a year in return for a monthly expenses subsidy of Es25,000-Es75,000 (£96-£288), higher commission on in-flight sales and free flight insurance.

TAP's 436 pilots have already accepted the increase in flying time although the issue of any pay rise is still unresolved. Negotiations with ground staff on pay and conditions have also yet to reach a conclusion.

None of TAP's 9,500 workers received a pay rise last year and Mr Fernando Santos Martins, TAP president, has said the company cannot afford one this year.

Like the company, the government has also interpreted the accord with the cabin attendants as an agreement to a wage freeze. It hailed the agreement as a breakthrough for its plans to return the debt-ridden company to profit by injecting Es180bn (£690m) in fresh capital and establishing labour peace.

Mr Joaquim Ferreira do Amaral, transport minister, said it supported the government's recovery plan. However, Mr Braz said strikes were almost inevitable this year if a wage freeze was imposed.

The airline's accumulated debt reached Es124.4bn in 1993 and operating losses rose to Es35bn, the worst result in the company's history. Portugal is seeking approval from the European Commission for a plan to bring the company back to profit in 1996 by injecting new capital and reducing the workforce by 2,400 people.

Turkey plans big state sell-off

By John Murray Brown in Istanbul

Turkey yesterday unveiled an ambitious privatisation programme, aiming to sell $20bn of state companies in the next two years.

The programme, announced by Mr Tezcan Yaramanci, new head of the Public Participation Administration, the government's privatisation authority, envisages proceeds of $2.6bn this year and $18bn in 1995 – much of that from the disposal of the state PTT telephone monopoly. In addition, the closure of loss-making industries is estimated to create savings of a further $7.3bn.

Since 1985, hindered by legal wrangles and parliamentary and labour opposition, the PPA has raised just $1.7bn. Hitherto most sales have been of minority stakes, often in private companies, such as the current issue of Tofas, which assembles Fiat cars, where the global offering next month of the PPA's 21 per cent is expected to realise $500m.

The new urgency reflects the need to close the budget gap, and restore policy credibility, amid worries that Turkey could lose out if a spate of asset sales across Europe soaks up international investor demand.

Turkey is set to sign an $84m technical assistance credit with the World Bank next week. In an unusual move the Bank, worried the programme could falter, has set performance conditions, which require Turkey to meet an agreed timetable on asset sales.

The loan will finance a feasibility study for the Zonguldak region, looking at retraining schemes in the event of closure of the loss-making coal mines corporation, as envisaged in the PPA's new programme. The loan will also cover the cost of foreign advisers, public relations and legal expenses.

Chase Manhattan is leading an advisory consortium, including the UK bank Kleinwort Benson, on the sales of Tupras, the refineries concern and Petrol Ofisi, the petrol retailer. The PPA's ambition is to complete the sales this year.

The programme for 1995 looks even more ambitious. The PTT disposal will account for the bulk of the 1995 revenues. However, court action currently blocks all government efforts to prepare the company for sale.

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Japan urged to introduce tough budget

By William Dawkins in Tokyo

The Japanese finance ministry yesterday asked the government to follow its record Y15,250bn (£95bn) pump-priming package with an austere budget for the coming year.

The ministry's draft budget for the fiscal year, starting on April 1, calls for a 1 per cent rise in total outlays to Y73,081bn. Ostensibly an improvement on the previous year's 0.2 per cent budget growth rate, it represents a small decline after stripping out accounting changes, according to finance ministry officials.

Mr Hirohisa Fujii, finance minister, said he expected the US to support the budget, which is likely to be part of trade and economic talks today between Prime Minister Morihiro Hosokawa and US President Bill Clinton.

Ministries will negotiate on the draft over the next few days, before the government adopts a final budget on Tuesday, which will then be debated by parliament next month. Separately, the cabinet yesterday adopted a Y2,185bn third supplementary budget for the current year, needed to fund part of the recent stimulus package.

The government will probably need at least one more supplementary budget this year, because yesterday's draft is unlikely to cover the its needs, said economists. "It is clearly insufficient," said Mr Jim Vestal, chief economist at Barclays de Zoete Wedd in Tokyo.

The figures might change slightly in the bargaining to come, but the draft is a general guide to the government's plans. General spending, the core of the budget, is to rise 2.3 per cent, the smallest increase for six years, within which defence is set to rise by 0.8 per cent, the lowest growth for 34 years.

Overseas aid is set to rise by 4 per cent, the smallest increase ever from one of the world's largest donors – and only just over half the foreign ministry's request for a 7.9 per cent increase. However, public works spending is to rise by 29.6 per cent, in line with the government's pump-priming policies, a point welcomed yesterday by the Keidanren business federation.

On the revenue side, the government expects tax receipts to fall by 12.5 per cent, because of the income tax rebate at the heart of the stimulus package. Its tax revenue forecast is, however, based on the Economic Planning Agency's target of 2.6 per cent growth in gross national product for the coming fiscal year, widely seen as over-ambitious.

This high economic growth target, however, reduces pressure on the finance ministry to commit itself to issuing deficit bonds, to which it has strong objections, pointed out Mr Geoffrey Barker, chief economist at Baring Securities in Tokyo.

The finance ministry has already had to swallow its pride by agreeing to issue Y3,134bn of deficit bonds, the first for five years, to fund much of Mr Hosokawa's tax rebate. The drop in tax revenue and the demands of an increased public works programme means the government plans a 68 per cent increase in bonds issued next year, to a record Y13,643bn, or 18.7 per cent of government revenue. Of that, Y10,509bn will be so-called construction bonds, destined for public works only – to which the ministry has no objection – with the rest in deficit bonds.

MP charged over tax refund fraud

By Paul Abrahams in Tokyo

Public prosecutors yesterday indicted Mr Tadao Otani, a Diet member, and charged him with helping supporters obtain tax refunds by falsifying receipts. Mr Otani recently resigned from the Japan Renewal party, second biggest grouping in the government coalition.

Until now, investigators have focused on local politicians and the business community. Mr Otani is the first Diet member to be indicted during the present anti-corruption effort. Ms Mineko Sasaki-Smith, senior economist at Morgan Stanley in Japan, said: "This shows the continuing willingness of the government to tackle corruption. It's unusual for a Diet member to be indicted, but Mr Otani is a little fish, not a big one."

Mr Otani, now an independent member of the House of Representatives, is alleged to have conspired with his former political secretary, Mr Susumu Ochiai. In January, Mr Ochiai admitted offering supporters receipts for political donations in excess of amounts given.

Under present electoral rules individuals can receive tax breaks on donations of more than Y10,000 to political groups; the 72 supporters were said to have been able to claim the inflated amounts, worth Y55m (£341,614). The offences are alleged to have occurred between 1990 and 1992.

White right threatens to disrupt all-race poll

By Patti Waldmeir in Pretoria

Prospects for peaceful elections in South Africa receded further last night when the white right wing, the Afrikaner Volksfront (AVF), said it would not take part in April's all-race elections, and would actively disrupt the poll.

Compounding the threat to elections, the KwaZulu Legislative Assembly, the parliament in Chief Mangosuthu Buthelezi's homeland of KwaZulu, said it would take steps to resist the poll, though the Chief's Inkatha Freedom Party has not yet officially announced a boycott.

Both announcements could be partly tactical, aimed at pressing the African National Congress and government to make last-minute concessions before Saturday's deadline for registration of political parties contesting the elections.

"If the ANC and NP come to their senses and decide there will be a volkstaat (white homeland) and self-determination for Afrikaners, we will consider (participation)," Mr Ferdi Hartzenberg, leader of the ultra-right Conservative Party, said after the AVF's own "parliament", the "Transitional Representative Council", had met.

The AVF leader, Gen Constand Viljoen, was to meet the ANC last night for what AVF officials described as a "final" round of talks on the white right's demand for an Afrikaner homeland. At the same time, the government was making last-minute efforts to revive stalled trilateral talks between the right wing umbrella group, the Freedom Alliance, and the ANC and the government.

There were few indications that agreement could be reached on constitutional amendments before the Saturday deadline. The Freedom Alliance has said such amendments are essential if they are to reverse their decision to boycott the poll. The government said last night it might extend the Saturday deadline if progress seemed possible, but did not think this likely.

The Afrikaner Volksfront said it would use its "total ability" to oppose the poll, though Mr Hartzenberg was careful to avoid an overt call to violence. But conservative white local councils would refuse to integrate with black councils as required by law, and the AVF would set up the equivalent of "mini-volkstaats" in conservative rural areas.

"But if they are going to crush us, we must use a little bit of violence to protect ourselves," he warned.

Compromise and complicated formulae were key to hard-won Israeli-PLO accord

Security pact speeds Mideast peace process

By Julian Ozanne in Cairo

Israel and the PLO have overcome deep suspicions to forge the Cairo accords on security. The signing in Cairo on Wednesday night broke months of deadlock over implementing Palestinian self-rule in the Gaza Strip and West Bank area of Jericho.

Employing painstaking compromise, complicated formulae and postponement of some sensitive issues, Mr Yassir Arafat, PLO chairman, and Mr Shimon Peres, Israeli foreign minister, reached a deal which will inject momentum into the Israeli-Palestinian peace process.

The Cairo accords pave the way for Prime Minister Yitzhak Rabin to meet Mr Arafat within four weeks to sign a comprehensive protocol leading to the delayed Israeli troop withdrawal from Gaza-Jericho. Completion of Israeli military redeployment will not be possible by the April 13 deadline.

To reach agreement on security issues, Mr Arafat had to give up demands for absolute PLO control over borders and roads, viewed as important symbols of sovereignty for a Palestinian state. Israel had to concede the Palestinian need for dignity without jeopardising security requirements.

Israel keeps exclusive control over external security. The most important issues resolved under the accords are arrangements for the Gaza-Egypt and Jericho-Jordan border crossing; security details for the Jewish settlements in Gaza and for roads linking the settlements with Israel, and broad outline of the size and composition of the Jericho area.

The most important details of a final protocol yet to be agreed are relations between the two economies; the operational limits of a Palestinian police force and transfer of administrative power from Israeli to Palestinian hands. All these issues must be finalised before Mr Rabin and Mr Arafat can sign the comprehensive protocol.

Separate agreements on the modalities of holding Palestinian elections and redeployment of Israeli troops in the rest of the West Bank will be negotiated in Washington. The Cairo accords cleared away the most difficult issues of a protocol on Palestinian self-rule:

- Border arrangements: Israel retains responsibility for external security. It will rely heavily on modern surveillance devices rather than physical searches. Each border crossing will have one terminal with two wings, the Palestinian one to serve Palestinians and visitors to Gaza-Jericho, with a Palestinian flag and Palestinian policemen at its entrance. The Israeli wing will serve Israelis and foreigners. The Palestinians and the Israelis will have a closed area for searching luggage;
- Inspection: The Israelis may open luggage in the presence of the owner and a Palestinian policeman. Persons entering the Palestinian wing will pass through a magnetic gate in the presence of an Israeli and Palestinian policeman. A Palestinian may be physically searched by a Palestinian policeman in the presence of an Israeli policeman.

Israel will check the identity documents of all Palestinians crossing the Palestinian wing but will do so "in an invisible manner" for Gaza-Jericho residents. In the event of suspicion, both sides may question a Palestinian. A Palestinian may be apprehended crossing through the terminal by either side, but must be dealt with by a Palestinian policeman. Both sides have the right to veto entry to any person not a Gaza-Jericho resident; Israel will control security in the Palestinian-controlled areas between the Gaza-Egypt and Jericho-Jordan border posts, in close co-ordination with a Palestinian deputy. Palestinian policemen present will be armed with handguns;

- The area of Jericho: Israel and the PLO have initialled a mapped area of Jericho of 55.5 sq kms but left the final decision to Mr Rabin and Mr Arafat when they meet to sign the protocol.

Israel guarantees safe passage to Palestinians to three areas outside the Jericho area: the religious site of Nebbi Moussa, the pilgrimage site of al-Maghtas, and the northern shores of the Dead Sea, where Palestinians will be allowed to set up private projects and joint tourism ventures.

Palestinians will have sole control over roads in the Jericho area, with joint patrols, under Palestinian authority, on the main roads used by Palestinians and Israelis.

- Gaza security: Israel retains absolute authority over the Gush Katif and Erez settlement areas and Israeli military installation along the Egyptian border. In a second zone Israel will control security, in co-operation with Palestinians in security matters, including joint patrols. Israel retains absolute control over security for three roads linking the settlements with Israel.

Yassir Arafat and Shimon Peres initial agreements on security issues in Cairo as Egypt's President Mubarak looks on AP

Arafat briefs King Hussein on latest agreement

By James Whittington in Amman

Mr Yassir Arafat, Palestine Liberation Organisation chairman, yesterday briefed King Hussein of Jordan on the latest PLO-Israeli agreement, responding to Jordan's previous criticism that the PLO had failed to co-ordinate with the kingdom over the peace talks.

Mr Arafat presented the king with a copy of the security arrangements agreed with Mr Shimon Peres, Israeli foreign minister, in Cairo, and discussed future aspects of co-operation between the East and West Banks.

Mr Abdel Salam al-Majali, Jordan's prime minister, said the king was "extremely happy" Mr Arafat had kept his promise of enhanced co-ordination with Jordan.

Since it was disclosed that secret Israeli-PLO talks had taken place in Norway last summer, leading to the historic peace accord signed last September, King Hussein has repeatedly complained Jordan has not been kept up to date with meetings on the future of the occupied territories.

Despite accords signed between the Jordanians and Palestinians on economic ties and security this year, and assurances from the PLO that it supports co-ordination, Jordan remained sensitive about being left out.

Recently, King Hussein said: "Our basic position is supporting our Palestinian brothers as regards regaining their rights on their national soil, but I cannot say our co-ordination until now is what it should be, while between us and Syria and Lebanon co-ordination is normal."

Jordan is keen to play a central role in the West Bank after an Israeli withdrawal. Fifty per cent of the kingdom's population is of Palestinian origin and the West Bank was ruled by King Hussein until 1967. Agreements so far will allow Jordanian banks to re-open branches in the West Bank where the Jordanian dinar will be the main legal tender. This will give Jordan's central bank a key role in monetary policy in the new Palestinian entity.

Jordan wants a bilateral pact on trade and joint ventures in business and manufacturing. Next week a Jordanian-Palestinian committee will begin discussing these details as part of the economic protocol signed in January.

Dry dams threaten Thai way of life

Victor Mallet on a monsoon country's most serious water crisis

Bangkok and the central plains of Thailand, often flooded during the monsoon rains, are now in the grip of a water shortage so severe that some of the most basic aspects of Thai life – from rice farming to having soapy baths at massage parlours – are likely to be affected before the monsoon returns in June.

Seen from the pumping station north of Bangkok where the Metropolitan Waterworks Authority draws off the capital's water supply down a 30km canal, the Chao Phraya river appears to be flowing serenely towards the sea.

Thai officials, however, are far from serene: they are contemplating the possibility that there will not be enough fresh water running downstream to keep the sea water from pushing inland as far as the MWA's canal. The MWA might be forced to suspend pumping, and that could mean water rationing in Bangkok.

"This is a real crisis," says Mr Sawad Wattanayagorn, director general of the Royal Irrigation Department. "It's the most serious crisis in the Chao Phraya river basin in history."

During the dry season from November until June, the Chao Phraya is supplied from the Bhumibol and Sirikit dams (named after Thailand's King and Queen) in the north of the country. When full, the two dams combined can hold more than 16bn cubic metres of usable water. They held that quantity only once, in 1975.

This time they started the dry season with a record low volume of 2.2bn cu m of available water, a figure that has since dropped to less than 1.7bn cu m; normal dry season demand is about 6bn cu m.

Rice farmers, Thailand's biggest water consumers, could be the first victims of the drought. For the second year running, tempted by high rice prices, many of them have ignored government pleas not to grow an extra crop during the dry season.

Without good off-season rains, the crops could fail. Usually the government is sympathetic to the demands of the country's many farmers (as voters they form a powerful lobby) but this year there is no irrigation water to spare to save the rice; the priority is to keep salt water out of the Bangkok water network.

"There's not even enough for regular consumption, let alone irrigating the second rice crop," says Mr Sawad.

Tourist hotels and massage parlours could be severely affected if there was water rationing, and some of them have begun to reduce water consumption already.

In central Bangkok, the luxury Dusit Thani hotel has started a campaign to educate employees and guests on how to save water; guests will soon be asked whether they want their towels laundered every day. "If it's true what the government's saying in terms of present water levels, it's pretty scary," says Mr Mark van Ogtrop, hotel manager. "It hasn't affected us yet, but it will."

Manufacturing industry is likely to emerge relatively unscathed, at least for this year. Most factories pump water from their own wells. Excessive use of groundwater has caused land subsidence in industrial areas, and there are fears further pumping will allow sea water and pollutants to seep into the ground water, but wells have yet to run dry.

Higher demand for water and lower rainfall have both contributed to the water crisis in central Thailand over the past few years.

The area of land under irrigated rice has increased rapidly since the 1970s. The water is free to farmers and the old-fashioned irrigation system in the central plains is prone to seepage and evaporation. Industrial and urban use of water has also increased.

In the north, less water has been flowing into the dams because demand upstream of the barrages has also risen. Farmers and loggers have hacked down the forests which once acted as sponges, absorbing rain during the wet season and releasing it into streams in the dry months.

Rainfall seems to have declined during the last decade, and particularly during the last six years, although wide annual and regional variations make it hard to reach firm conclusions. Last year the north had 623mm of rain, half the normal level, says the RID.

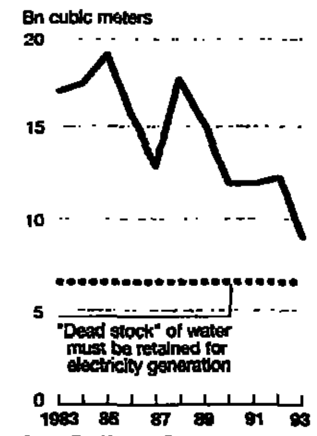
Many people believe that deforestation has somehow caused the reduction in rainfall, but the contention is hard to prove. "My guess is that deforestation has had a lot to do with it," says Mr Scott Christensen, a research fellow at the Thailand Development Research Institute, an independent think-tank; he is studying the management of the country's water resources.

Even if the 20m inhabitants of the central plains survive this year's water crisis without too much hardship and it rains on schedule in June, Thailand will still have to decide how to allocate its water resources in the decades to come.

One suggestion is that farmers should pay for irrigation water and that urban consumers should pay more for tap water. The RID wants to build more dams, but environmentalists have mounted increasingly effective protests against such projects.

"With the decline in rainfall over the past couple of years it's really come to a crisis point," says Mr Christensen. "The short-term economic impact I think is going to be quite modest, but this is a serious long-term problem."

November water level in the Bhumibol and Sirikit dams



Source: Royal Irrigation Department

BANK'S GROWTH FORECAST REVISED UPWARDS

Thailand's central bank yesterday revised upwards its economic growth forecast for 1994 and its estimate for last year, saying that gross domestic product could increase by a real 8.2-8.3 per cent in 1994 after a rise of about 8 per cent in 1993, Victor Mallet reports from Bangkok.

Mr Vijit Supinit, Bank of Thailand governor, attributed the better-than-expected performance to higher exports and investment; previous official estimates suggested GDP would grow less than 8 per cent this year and last. "Exports performed much better than expected, which means the current account deficit improved," Mr Vijit said.

Thailand's current account deficit was about 5 per cent of GDP in 1993, compared with the forecast 6.3 per cent. Exports last year rose by more than the 11.5 per cent previously predicted.

The value of Thai exports was hit in the first part of 1993 by low prices for agricultural commodities, although electronics exports continued to grow strongly.

Prices for rice, one of Thailand's main export commodities, have risen recently, following the Japanese decision to allow foreign rice imports. But a water shortage in the central plains of Thailand is likely to restrict the amount of Thai rice available for export.

There are fears for this year's second rice planting Terry Kirk

British MPs released by Somalis

By James Blitz and Motoko Rich

Two British members of parliament and an aid worker were released unharmed by kidnappers in Somalia yesterday after being taken hostage late on Wednesday night.

The two MPs – Mr Mark Robinson, Conservative member for Somerton and Frome and Mr Tony Worthington, Labour MP for Clydebank and Milngavie – were kidnapped at Erigavo in north west Somalia while on a week-long fact-finding mission in the country.

Mr Jeff Chinnock, an aid worker from the British charity, Actionaid, had been held with them.

All three were freed by the Somali gang yesterday afternoon after Mr Ibrahim Egal, leader of the breakaway region of northwestern Somalia, announced he would order militiamen to attack the kidnappers if the men were not released.

There were reports yesterday that the kidnappers were part of the Mous Ismail sub-clan of the Habr Yunis, which is controlled by rebel militiamen and wanted recognition from the local administration.

Mr Robinson, 44, is a junior Foreign Office aide and the parliamentary private secretary to Lady Chalker, minister for overseas development. He has worked for both the UN and the Commonwealth. Since November, Mr Worthington has been the Labour party's foreign affairs spokesman on Africa, the Middle East and the Indian sub-continent.

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NEWS: WORLD TRADE

Trade pact 'danger' for Latin America

By Stephen Fidler, Latin America Editor

The proliferation of bilateral and sub-regional trade agreements in Latin America carries dangers, the UN's Economic Commission for Latin America and the Caribbean says in a new report*.

The report reflects the concern expressed by Mr Gert Rosenthal, the head of the Santiago-based organisation, in a recent interview, over the lack of common external tariffs in most of the region's trade agreements.

What may follow, he said, is the development of rules of origin "as a proxy for restricting trade."

The report, prepared for a meeting of Latin American government experts on trade next month, says rules of origin "could become a hidden instrument of protectionism that discriminates more against countries less able to take advantage of the expanded market's potential or against those with a greater proportion of extraregional investment."

Four sub-regional agreements are in place – the Central American Common Market, the Andean Pact, the Caribbean Community and Mercosur – and over 20 bilateral agreements have been signed.

Trade liberalisation commitments have also been signed between groups of countries, for example between the Caribbean Community members and Venezuela.

Bilateral agreements tend not to carry common external tariffs while none of the sub-regional agreements currently has a common tariff applied by all its members, the report notes.

It points out that "bilateral agreements and other agreements with very limited geographical coverage" entail costs if they do not lead to broader, less discriminatory arrangements.

For example, "if bilateral relations are increasingly concentrated, there is a risk that a small country may adjust its production structures to the conditions prevailing on the market of its main trading partner, instead of adapting them to more competitive conditions of the world economy."

It adds: "The emergence of certain 'hub' countries with which most bilateral agreements are concluded can also create incentives for the concentration of investment in those countries, since they will have access to more markets and cheap inputs."

The agreements could also have restrictive effects just as unilateral trade liberalisation boosted trade and investment.

● *Open Regionalism in Latin America and the Caribbean: ECLAC, Santiago, Chile. Limited Distribution.*

Iceland's trade policy 'to blame for downturn'

By Frances Williams in Geneva

Iceland's trade and industrial policies have contributed to a squandering of its valuable fish resources, some of the world's highest food prices and a damaging bias against the manufacturing sector, says a report by Gatt economists published yesterday.

Iceland, with a population of about 260,000, grew prosperous in the post-war period on the back of the fishing industry, which accounts for about 17 per cent of gross domestic product and 75-80 per cent of merchandise exports. However, since 1988 the economy has floundered, due partly to recession in Europe but also to cutbacks in the cod catch.

The Gatt report says free-of-charge access to marine resources and state supports have led to over-investment and overfishing and the Icelandic government has been forced to reduce cod catches to replenish stocks.

Membership of the European Economic Area, the giant free trade zone spanning western Europe which came into force last month should help the fisheries sector by eliminating most tariffs on fish exports to the EEA's 18 members, the report notes.

However, Iceland's uncompetitive agricultural sector is likely to come under increasing pressure from imports from the EEA. Without government support, now being cut, the farm sector will inevitably shrink, Gatt says.

The transfer of resources to manufacturing would help stabilise the economy, now vulnerable to changes in fish catches and prices. But the report expresses some doubts about Iceland's plans to base future economic development on energy intensive industries.

Gatt says these make a much smaller contribution to net export earnings and national value added than fisheries because most of the raw materials and equipment have to be imported.

Qatar gas export project ends over price dispute

One of Qatar's big three gas export projects has collapsed because of a price dispute with Italian customers, Qatari sources said, , Reuter reports from Manama.

The government's Qatar General Petroleum Corporation is taking over the shares of its two western partners in Qatar Europe LNG Company (Eurogas), forcing a rethink of how to proceed, said Eurogas chairman Abdul-Aziz al-Dulaimi.

The agreement collapsed because Qatar could not agree with the 30 per cent shareholder, Italy's state-owned Snam, on how much it should pay for the gas.

QGPC is taking over Snam's share as well as the 5 per cent held by the US company, Nelson Bunker Hunt.

Eurogas was one of three huge liquefied natural gas projects Qatar had planned to cash in on its North Field reserves and diversify from reliance on oil.

It was to have exported 6.1m tonnes LNG a year. But construction work has not started and there have been no exports, although North Field gas is used in local industry.

The project – to have cost at least $5bn with one estimate running as high as $8bn – could not proceed at least for now without being assured of Snam's purchases, though other European customers were being pursued, the sources said.

One option being considered is to expand the other two LNG projects if demand merits it. Technically this is possible though commercially it is complicated because of existing shareholding and marketing agreements.

"We in QGPC are rethinking the whole gas market scheme and the projects we have, certainly on the European side," a Qatari official said. "As far as Qatar is concerned, we will continue to pursue the European market."

The memorandum of understanding under which Eurogas was set up in 1992 stipulated that the two sides had to agree by the end of 1993 on matters such as pricing, Mr Dulaimi said. That agreement was not forthcoming, with the consequence that QGPC becomes the sole owner, he said after the Eurogas board met on Wednesday.

"If the parties failed to reach an agreement by the end of December (1993), the agreement is nul. In this case the shares go to QGPC," Mr Dulaimi said.

Snam, which benefits from relatively cheap Algerian gas at the price of $2.50-$2.60 per million BTU, had objected to the price it would have had to pay for the Qatari LNG. It had also failed to win improved Suez Canal transit fees.

EU dispute with Latin America starts to hit other producers

Caribbean banana exports slip

Dame Eugenia Charles: in London to lobby the UK Tony Andrews

By Deborah Hargreaves

Caribbean banana producers are falling victim to the European Union's dispute over bananas with Latin American exporters, Dame Eugenia Charles, prime minister of Dominica, said yesterday.

Latin American producers have complained to the General Agreement on Tariffs and Trade about the EU's preferential trading arrangements on bananas with African, Caribbean and Pacific countries.

A report by a Gatt panel, expected to condemn the Lomé convention as incompatible with Gatt rules, is due to be published today.

"I'm a believer in free trade, but not so free it ruins an entire country," said Dame Eugenia.

Banana exports provide 75 per cent of Dominica's revenue and Dame Eugenia said the Windward Islands had lost $70m (£48m) since last July when the EU's new banana regime came into force. However, it was not accepted by Latin American producers.

Since then, the Commission has slightly increased the Latin Americans' import ceiling, but has insisted a condition of acceptance would be for the countries to withdraw their complaint to Gatt.

The Caribbean producers say the Ecu 200m ($219m) aid they were promised from the EU as part of the transition to the new banana regime has not been forthcoming.

Dame Eugenia and Mr Russell Charles, agriculture minister of Belize, were in London to lobby the UK government on the issue.

Japan, Germany and US make best quality goods, say consumers

By Richard Tomkins in New York

The world's consumers believe the best quality goods are made by Japan, Germany and the US, while goods from Britain and other exporting nations lag well behind, according to a world-wide Gallup poll of 20,000 people.

Japan scores the highest, with nearly 39 per cent of consumers rating its products very good or excellent. Germany and the US do almost as well. Britain leads the rest of the field with a score of 22 per cent.

The poll, commissioned by Bozell, the US advertising agency, is believed to be the first large-scale attempt to quantify world-wide perceptions about the quality of goods made by the 12 biggest exporting nations.

Japan's position at the top of the league table confirms impressions that its manufacturers are now considered the world's best. The poll makes grim reading for Russia's manufacturers, rated the worst.

Gallup, a US-based market survey company, carried out the poll by asking more than 20,000 people in 20 countries how they rated the quality of manufactured goods produced by each of the 12 countries named. Ratings were given on a five-point scale ranging from poor to excellent.

Some 38.5 per cent of interviewees thought Japan's products were very good or excellent. Germany was second with 36 per cent, and the US was third with 34.3 per cent. Next, after a big gap, came Britain, France, Canada, Italy, Spain, China, Taiwan, Mexico and Russia.

The breakdown of replies given in individual countries suggests that national prejudices influenced consumers' opinions. In France, for example, consumers said French manufacturers' products were the best. Conversely, they gave lower ratings than any other country to products from the US and Japan.

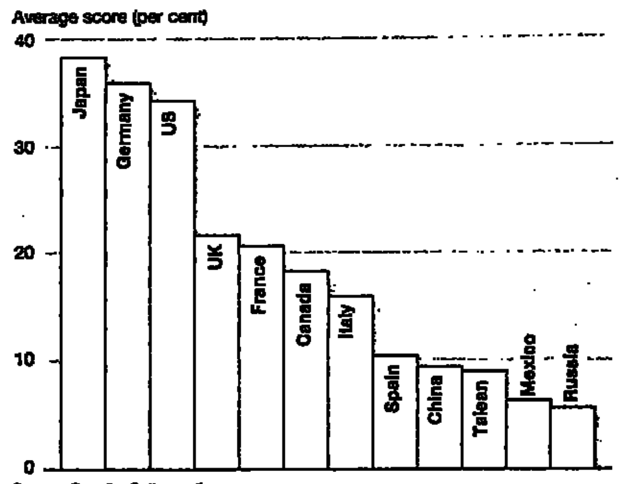
Consumer patriotism was highest in Japan, where 76 per cent of respondents rated Japanese products as very good or excellent. Next highest scorers in Japan were Germany with 49 per cent, then Britain with 39 per cent.

Bozell said the national breakdowns should help exporters by telling them whether their reputation for quality in different markets was an advantage to be exploited or a disadvantage to be overcome.

It plans to repeat the survey annually. Future polls will show which countries' manufacturers are improving and which declining.

Bozell-Gallup Worldwide Quality Poll. Bozell Worldwide, 40 West 23rd Street, Room D-140, New York, NY 10010-5201. Free.

Quality league



Source: Bozell - Gallup poll

NEWS: THE AMERICAS

US preparing guidelines to prevent environmental racism

By George Graham in Washington

The Clinton administration is preparing guidelines that would insert questions of environmental equity into decisions on all US government programmes.

The guidelines would require federal agencies to make sure that their programmes do not inflict an unfair degree of environmental damage on poor communities or on racial minorities.

They respond to growing complaints from civil rights leaders that pollution disproportionately affects minorities.

A 1987 report by the Commission on Racial Justice found a pattern of "environmental racism" in the siting of toxic waste dumps and incinerators, concluding that most of the largest and most dangerous landfills in the US were in communities with majority black or Hispanic populations.

Mr Benjamin Chavis, who headed that commission, has since taken over as head of the National Association for the Advancement of Colored People, the US's oldest and largest civil rights organisation, and has taken the lead in urging that more attention should be paid to environmental equity issues in, for example, the reform of the Superfund law on toxic waste clean-ups.

A subsequent report by the Environmental Protection Agency, however, concluded that although ethnic minorities were likely to be more exposed to hazardous chemicals, the pattern was determined less by race than by poverty.

But community groups have filed racial discrimination suits to complain about the siting of incinerators and other treatment facilities in minority neighbourhoods, and the state of Louisiana last month cited concerns about environmental racism in refusing a permit for the construction of a toxic waste plant in a mostly black area. "It's unfair to allow black communities to feel we are more lax in looking at permits in their areas than anywhere else," said Louisiana Governor Edwin Edwards.

Earlier this month the Clinton administration proposed the creation of $3bn (£2bn) fund paid for by the insurance industry as part of its overhaul of the Superfund laws.

The draft legislation would also set up a new form of arbitration process for allocating responsibility for cleaning up waste sites, under the auspices of an independent expert.

Associated Press

A woman strikes a saucepan lid during a march in Quito, Ecuador. Protesters marched to demonstrate against a 71 per cent fuel price rise. Four people were wounded south of the city

Clinton to speak at ILO anniversary

By Robert Taylor, Labour Correspondent

President Bill Clinton is to speak at the 75th anniversary conference of the International Labour Organisation in June in a sign of his growing concern to introduce a social agenda into discussions on the global economy.

It follows his decision to call a jobs summit next month in Detroit for the seven main industrialised nations to discuss global unemployment.

Mr Clinton's trip to Geneva underlines the increasing importance the American administration is giving to labour questions, reflected in the training and employment policies being drawn up by Mr Robert Reich, the labour secretary.

It also indicates an important shift in American international labour strategy. Under Presidents Reagan and Bush the US took a hostile view of the work of the ILO and American employers believed it was hostile to the principles of free enterprise.

Observers believe Mr Clinton's trip will provide a welcome support for the ILO's new social agenda which will be presented to the conference by its director-general Mr Michel Hansenne.

In a recent report Mr Hansenne argued that the ILO needed to adopt a more positive line on social issues with the onset of freer international trade after the completion of the Gatt Uruguay Round and the creation of the North American Free Trade Area.

The ILO believes this must go beyond the setting of universal standards of labour practice.

Mr Clinton will be the first US president to travel to Switzerland to address the ILO. President Franklin Delano Roosevelt spoke to the ILO when it met in Philadelphia in 1944, when the organisation was relaunched in the closing stages of the second world war.

Argentina to widen wealth tax

By John Barham in Buenos Aires

Argentina plans to broaden its wealth tax to include holdings in the previously exempt financial system.

The government sent a bill to Congress this week that will tax financial assets such as shares, bonds and bank deposits at 0.5 per cent a year. These assets are currently untaxed to encourage saving. The government says it will maintain tax exemptions for foreigners.

Previously, the wealth tax was payable only on assets such as cars, yachts and property worth over $100,000. The threshold remains unchanged, although the government will halve the tax from 1 per cent.

Mr Daniel Artana, chief economist at Fiel, a private economic research foundation, said: "This is nothing to get upset about. The financial system still receives a favourable tax treatment." However he said the government should redouble efforts to raise revenues by further reducing tax evasion.

Economists believe the government decided to tax holdings in the financial system to make up for declining tax revenues elsewhere.

The changes are expected to triple wealth tax revenues to about $350m a year.

Colombia poll row over US military presence

By Sarita Kendall in Bogotá

The presence of 150 US combat engineers on the Pacific coast of Colombia has generated political embarrassment for President Cesar Gaviria just as he is canvassing for support to become the next secretary general of the Organisation of American States.

The engineers are building a small school, a health post and a few miles of road in the village of Juanchaco, 190 miles southwest of Bogotá, under a military co-operation agreement.

However, the arrival of the US troops in December in great secrecy has turned into a highly charged pre-electoral issue, leading to anti-American protests and graffiti and a series of dynamite attacks on US-linked organisations.

Colombia is holding congressional elections next month and presidential elections in May.

The Council of State, a grouping of leading magistrates, released a communiqué this week saying that the president's interpretation of foreign treaties, on which the US agreement is based, ran counter to the constitution and violated national sovereignty.

In an unusually heated press conference, Mr Gaviria defended military co-operation and stressed the importance of technical assistance in fighting drug trafficking. US military personnel are also helping to build a river operations base and installing radar in other parts of the country.

The governing Liberal Party and its main election candidates have supported the president but the Council of State's ruling could lead to an investigation by Congress or by the attorney general's office.

Congressmen joined Mr Rafael Pardo, the defence minister, in a tour of the construction site. Mr Pardo admitted there had been an information problem.

Congress gets ready to prescribe drugs price curbs

George Graham on pressures for change encompassed in President Clinton's plans for healthcare reform

Congressional pressure for stricter curbs on prescription drug prices is building as detailed debate gets under way on the Clinton healthcare reform plan.

Members of Congress are marshalling reports and statistics to show that pharmaceutical companies continue to charge more for their products in the US than in other countries, and that drug prices continue to rise faster than inflation.

Last week, Senator David Pryor, a persistent critic of the pharmaceutical industry, produced a study by Democratic staff members of the Senate special committee on ageing, which he chairs, showing that although wholesale drug price rises slowed down last year, averaging only 3.1 per cent compared with 6.4 per cent in 1992, they still far outstripped the overall rate of inflation for manufactured goods.

And Congressman Henry Waxman, chairman of the House of Representatives subcommittee on health and the environment, released a report by the General Accounting Office showing that the most commonly prescribed drugs cost 60 per cent more in the US than in the UK.

The GAO report examined wholesale prices for 77 drugs sold by the same manufacturer in both countries, and found that only 11 were cheaper in the US, while 47 cost more than twice as much in the US as in the UK.

While the most commonly prescribed drug in the study, Beecham's Amoxil antibiotic, cost 40 per cent less in the US, other top sellers such as Wyeth-Ayerst's Premarin, Burroughs Wellcome's Lanoxin and Upjohn's Xanax all cost well over twice as much in the US.

"Beyond any doubt, the US is substantially subsidising low drug prices in the rest of the world," Mr Waxman said, urging examination of the British system for controlling drug prices.

Pharmaceutical companies sprang to defend themselves with their own barrage of studies.

The Pharmaceutical Manufacturers Association released a report by Mr Thomas McLaughlin of Harvard University which found only "slight price variations" between the US, Canada, Germany and the UK, and warned of the difficulties involved in such comparisons.

A separate study of prices for cardiovascular drugs conducted by Professor Patricia Danzon, a health economist at the Wharton School of the University of Pennsylvania, found prices were slightly lower in the US than in Canada and Japan but higher than in most of Europe.

Prof Danzon warned that looking at the top-selling brand-name drugs tended to bias international comparisons against the US, where such products are often more expensive, and that most studies had failed to take proper account of the availability of generic alternatives, as well as of rebates and discounts to bulk buyers.

The Clinton health plan, which would require health insurance plans to cover prescription drugs, would also oblige pharmaceutical companies to offer a 17 per cent rebate to Medicare, the government-run system that provides health coverage to the elderly, with an additional rebate if their prices rise faster than the consumer price index.

With healthcare reform legislation now starting to pick up speed in Congress, members who want even tougher controls on drug prices are likely to seek to add their own amendments to the bill.

"The train is about to leave the station and the train is healthcare reform. I want to get on that train," said Senator Pryor.

UK anti-terror law referred to Euro court

By Robert Rice, Legal Correspondent

Britain's anti-terrorism legislation was yesterday referred by the Court of Appeal to the European Court of Justice.

The Luxembourg court will be asked to rule whether the Prevention of Terrorism Act is incompatible with a 1964 European directive providing procedural guarantees for people expelled from EU states on grounds of public policy, public health or public security.

The Home Office was last night playing down the significance of the Appeal Court's move in the case of Mr John Gallagher, an Irishman excluded from the UK under the PTA by the home secretary in September 1991.

It said the questions referred to the European court were "fairly minor" and did not call into doubt the home secretary's power of exclusion under the legislation.

But Mr Stephen Grosz, Mr Gallagher's solicitor said the case would be an important test of Britain's anti-terrorism laws. "In a field where people have so few rights it is important to hold on to those rights that they have," he said.

Mr Gallagher, 34, who was jailed for three years in Ireland in 1983 for being in possession of two rifles for unlawful purposes, made several visits to England looking for work and eventually obtained a job in London in April 1990.

Following his exclusion in 1991 he challenged the legality of the home secretary's order in the English courts on the basis that he had been denied details of the grounds on which the order had been made and that the Home Office had refused to tell him the name of the person who had advised the home secretary on his case.

The appeal judges dismissed his case under domestic law saying that the act gave the Home Office the widest possible discretion.

But two of the judges ruled that the European Court should be asked to consider whether the Home Office was in breach of the 1964 European directive, which requires national authorities to obtain independent advice before expelling someone.

Mr Gallagher will ask the European judges how someone who has been excluded can be sure the home secretary has taken independent advice if the Home Office appoints the adviser and the excluded person is not allowed to know the adviser's name, Mr Grosz said.

Friends in the factory, strangers in the street

Michael Cassell on how Belfast workers cope with the Troubles

Paddy Auld and Ronnie Lewis work together on the shopfloor at Mackie International, a textile machinery company a stone's throw from west Belfast's "peace line", the brutal barrier of iron and brick that dissects their city. But when they go home, they go in different directions to different worlds; Paddy is a Roman Catholic and Ronnie is a Protestant.

Paddy heads south, across the Springfield Road – dubbed the 38th parallel by battle-weary locals – ignoring the derelict houses abandoned by people too terrified to live on the front line.

He returns to Andersonstown and to life in one of the Catholic ghettoes marked on the city's extraordinary religious map. Some of the smarter, new homes he passes on the way to "Andytown" have metal window grilles to thwart bricks and bombs.

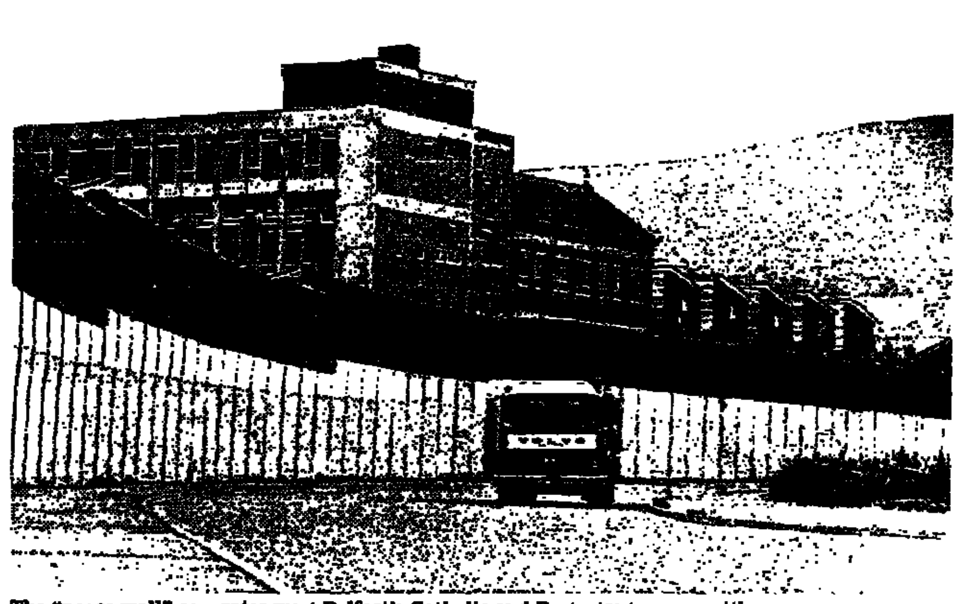
Ronnie goes north, on to the Highfield estate, where 3,000 families live in the shadow of Black Mountain. There is not one pub for drowning sorrows and the run-down, Protestant streets suggest that hardship in Belfast shows no particular sectarian inclination.

Nearly 60 per cent of Highfield's men are unemployed and all but a few of the children at primary schools such as Glencairn qualify for a free lunch. Community self-help is basic and too many youngsters have drifted unthinkingly into the grip of the loyalist paramilitaries.

Paddy, a Mackie convenor, recently went shopping with his wife in an exclusively "prod" neighbourhood. He was spotted by a workmate who greeted him as "Billy" and passed on by. Paddy recalls: "It wouldn't have been very clever for either of us if he had been seen there talking to someone called Paddy. It's not just the other side you have to worry about, some on your own side are just as bad."

One of Ronnie's best friends, a Protestant, lives just across the way from him on the Highfield, separated only by the 20ft-high wall which perpetuates the religious divide. When Ronnie's daughter got married, his friend would not cross the line to attend the church. "He went into town and came back out in a taxi," recalls Ronnie. Such are the instinctive, unspoken procedures for staying out of trouble in this corner of the UK.

Neither man likes talking about "sides", though it is unavoidable. They say nearly everyone is sick and tired of the madness and united in their wish to see an end to it.



The "peace wall" separates west Belfast's Catholic and Protestant communities Picture Pacemaker

They say they are optimists because the alternative is too awful to contemplate but they do not sound entirely convinced that the end is at hand.

"Things are better now. Not long ago when you went to work you didn't know if you would be going home in the evening," says Paddy.

He and Ronnie, a lathe operator who is also a union official, try to recall whether it was two or three Mackie employees who were killed when the Troubles were at their height in the mid-1970s.

Pat Dougan, the outspoken, North Antrim-born Catholic who is chief executive of Mackie and who daily arrives in his Jaguar XJS from a smarter part of town, recently ran into a fusillade of stones.

But Mr Dougan, who says "ethnic cleansing began in Belfast not Bosnia", is not a man to be easily scared off. He arrived at Mackie in early 1992 to try to save a long-established business which once offered a day's wage and a sense of purpose for 7,000 people but which ended up dependent on government hand-outs.

He has turned round the business, which is set to make a modest profit this year and, after initially shedding workers, is recruiting again. Mr Dougan, who says "every additional employee is an extra nail in the coffin of the terrorists", wants the 450-strong workforce up to 1,000 and intends to float Mackie soon.

He also wants his workforce, once exclusively Protestant, to reflect the religious make-up of the community; fair-employment regulations in any case make it a pressing priority.

"The Fair Employment Commission is insisting that our job ads say we welcome applications from the Catholic community. I refuse to do it. Applications from both communities should be equally welcome if we are talking about equal opportunities."

So far, however, Catholics account for only 13 per cent of the workforce, a figure which is rising but which gives no grounds for complacency.

Mr Dougan says one of the big problems in raising the Catholic intake is finding skilled recruits. The company has agreed to take a quota of new employees from two training centres in Catholic areas.

But he says a much broader effort is desperately needed. "Giving people jobs and meeting the challenge of making Belfast a better place to live in is the way to end the misery and violence. The business community here, including industrialists and bankers, have been cowards. They have chickened out of facing up to the problems, refused to stand up and be counted; lying low is not the answer."

PM seeks 'British' Euro poll campaign

By Philip Stephens, Political Editor

Prime Minister John Major yesterday disowned all of the central elements of the manifesto on which the Conservatives' allies in the European Parliament will fight the June elections for the Strasbourg assembly.

Confirming the increasingly Euro-sceptic stance of his government in the approach to the polls, he said it planned a "distinctively British" platform.

To the dismay of Conservative MPs on the pro-European wing of the party, Mr Major agreed with one of his party's leading Eurosceptics that the manifesto of the European Peoples' Party should be brushed aside.

Britain's Conservative party has formal links with the EPP, the alliance in Strasbourg which represents most of the Christian Democrat parties in the rest of the European Union.

The EPP finances the offices run by Tory members of the European Parliament at Conservative Central Office in London.

But in the Commons yesterday Mr William Cash, the MP in the forefront of the campaign against the Maastricht treaty, urged the prime minister to disassociate this party from the EPP's call for a single currency, a European central bank, the social chapter and a common immigration policy".

Mr Major replied that the government was not obliged to accept those policies, adding "Nor will we".

Mayhew to press ahead on NI talks

By Michael Cassell in Belfast

The British and Irish governments will press ahead urgently with talks intended to bring an overall political settlement in Ulster, Sir Patrick Mayhew, Northern Ireland secretary, said yesterday.

Despite a differing emphasis between London and Dublin on the next steps in the Ulster peace process, Sir Patrick said that both governments would pursue discussions with the constitutional parties in Northern Ireland with a view to reaching a comprehensive agreement. He claimed the odds on peace were shortening and the terrorists were running out of time as they confronted the "irreversible will of the people" for peace.

Sir Patrick was addressing the Association of American Correspondents in London the day after he met Mr James Molyneux, leader of the Ulster Unionist party to discuss ideas for a political settlement. Today he will meet Dr John Alderdice, leader of the Alliance party, although no date has yet been set for a meeting with Mr John Hume, leader of the Social Democratic and Labour party.

Sir Patrick's speech helped keep the pressure on Sinn Féin to accept the Downing Street declaration. He stressed that there was "no daylight" between the two governments on the joint declaration and warned those who had so far refused to join efforts to find a settlement that they could join the process or stay out. He added: "But they cannot halt it".

Labour costs 'low investor priority'

By Robert Taylor, Labour Correspondent

Low labour costs are way down the list of priorities for Japanese companies investing in Britain, according to evidence presented to the House of Commons employment committee and published yesterday.

The more important causes for inward investment cited by Japanese corporations which have invested heavily in Britain in recent years were availability of government grants and greenfield sites; the use of English as the language of international business; the country's political and economic stability; the communications infrastructure and the UK's proximity to the European continent.

A strong emphasis is also placed on flexibility in UK working practices, the relatively high skills level of British workers and good industrial relations.

The report on the import and export of jobs revealed that:

- Toyota, the motor company, told the committee that the company did "not consider low wages to be a factor in our investment". It added: "What is far more important is the availability of good people, with the desire to apply a high level of management and engineering skill."
- Nissan, the motor company, said it was not concerned with labour costs nor with the consequences of the social chapter of the European Union's Maastricht treaty. "In our industry labour costs are less than 10 per cent of total costs," it said.
- Sony, the electronics company, cited the cost of labour as 10th out of the eleven reasons why it chose to invest in south Wales.
- Both Toshiba and the Honda motor company did not even mention low labour costs to the committee as a reason for investing in Britain.

But MPs do suggest in the report that "a conflict of evidence" left them in "some doubt about the relative importance of wage costs".

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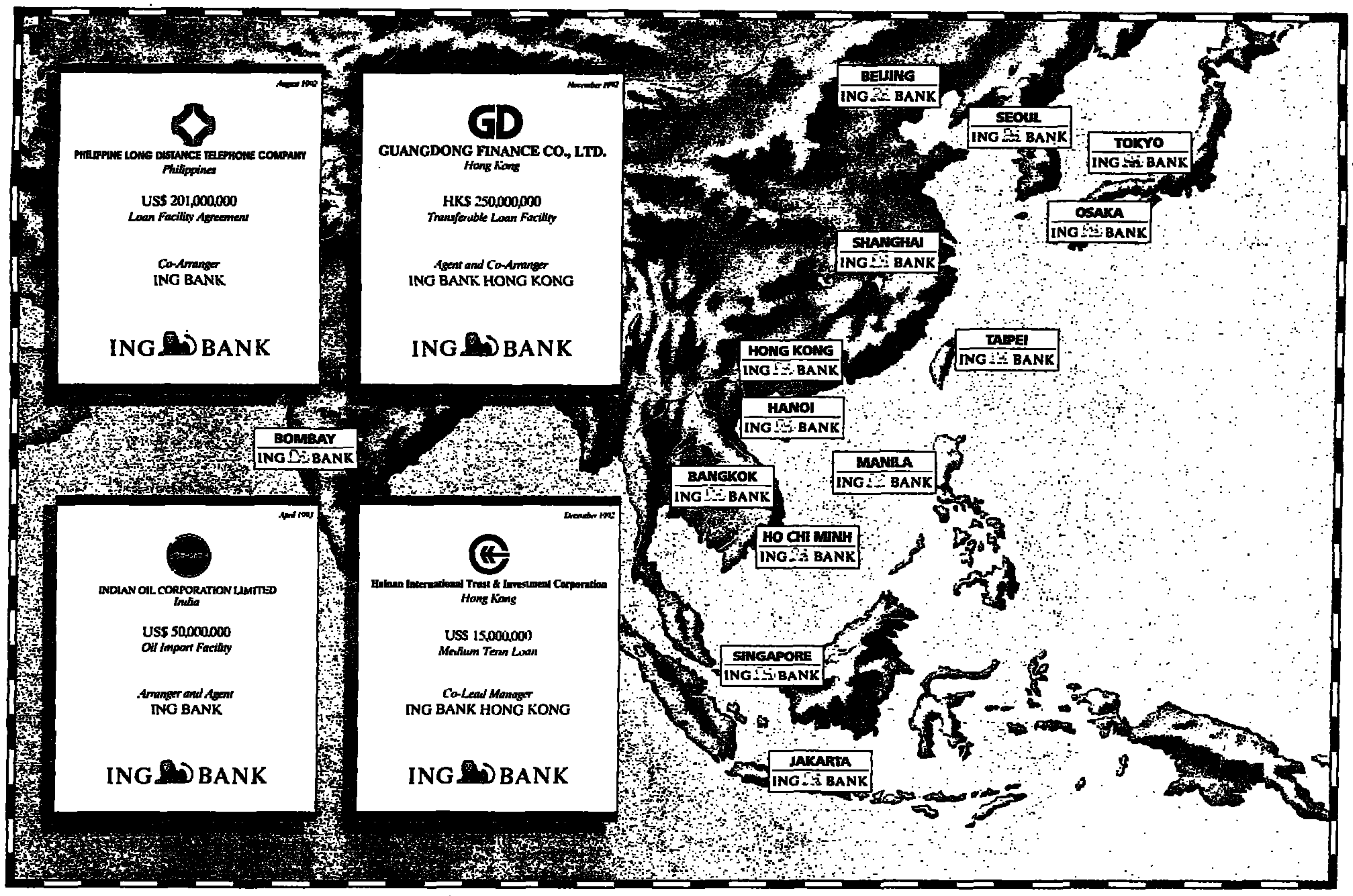

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Media groups to bid for planned Channel 5

By Raymond Snoddy

Three substantial media organisations – MAI, Time Warner and Pearson – yesterday announced that they had formed a consortium to bid for a national Channel 5 licence if one is advertised.

The consortium would offer national programming and a series of local services for big UK cities.

In organisation it would resemble the US television system with a national network serving a host of regional affiliates.

The consortium is the most weighty so far to announce an interest in Channel 5, which could reach about three-quarters of the UK population. MAI is the controlling shareholder in Meridian Broadcasting, the ITV company for the south of England and which recently made an agreed bid for Anglia Television. Time Warner is the largest media group in the world and Pearson, owner of the Financial Times, also owns Thames Television the ITV company that lost its franchise to Carlton television.

In December 1992 the Independent Television Commission rejected the only bid for the Channel 5 licence – a bid put together by Thames (not then owned by Pearson), Times Warner and Pearson. The commission did not think the business plan sufficiently robust and decided that the shareholders were not sufficiently committed.

The commission has been looking for some time to see whether the franchise should be readvertised or the frequencies reserved to develop a host of digital television channels in the UK. The commission will take its decision "shortly". The likeliest outcome is that Channel 5 will be re-advertised but as part of a co-ordinated plan to develop digital television gradually.

The commission has been trying to find ways to reduce the number of video recorders that would have to be re-tuned for Channel 5 to go ahead. Extensive re-tuning because of the interference that would be caused by the Channel 5 signal was one of the problems with the original proposal.

At present Pearson, as a company owning a national newspaper and an independent television production company, could take only a 5 per cent stake in the venture. The government has, however, announced a review of cross-media ownership rules.

City of London sees shake-out of employees

By David Goodhart, Labour Editor

The City of London has lost 50,000 jobs in the past three years – the same number that it gained during the Big Bang period of the mid-1980s. But job numbers are expected to rise again by 21,000 to 328,000 by 1998, according to a report by City personnel directors.

Winning People, the report by the London Human Resource Group, warns that failures in managing change could endanger London's position as Europe's premier financial centre during the next five years.

The report says the staff shake-out of the last few years, and the shift from a paternalistic to a performance-based culture, has often been badly handled and left staff morale "at an all-time low". One indicator of that is a large increase in staff turnover which is expected to rise to 75,000 – or one in four of all employees – this year.

The report says that rationalisation is necessary but not sufficient and that financial services could face the same decline as large parts of manufacturing.

"This report's recommendations deserve to be studied at the highest level in every institution," says Lord Alexander, the chairman of National Westminster Bank, in the report's foreword.

Staff costs account for between 50 and 80 per cent of company expenditure and three out of five employees are relatively high-cost "knowledge workers" characterised by high levels of education, identification with their craft, and strong individualism. The proportion of knowledge workers will continue to rise as the number and "customisation" of financial products increases. The report, based on a survey involving 358 city institutions, says the number of financial products has increased to more than 700 from 70 in 1970.

The new performance culture for such knowledge workers, which has produced a large increase in productivity, includes the end of "job for life" assumptions.

But Mr Geoff Tucker, personnel director of the Legal and General Group, said many job interviews were still based on the assumption of permanent employment and most pensions were still based on final salary.

"In some companies we are just getting to the point of basing interviews on the explicit assumption that people will only be with us for three to five years," he said. The report says City institutions will have to offer training for future employability to such people in exchange for job security. The report also recommends that companies spell out their core values, something which only 2 per cent of those surveyed currently do.

British Telecommunications joined celebrations of the Chinese new year – Kow Nin, the year of the dog – yesterday by installing nine pagoda-roofed phone boxes in London's Chinatown. Mr Yan Tim, president of the Chinatown Chinese Association, and Mr David Tan of Westminster Council, inaugurated the boxes, ordered from US company Benner Newman of Los Angeles. Picture: Ashley Ashwood

Steel alliance attacks rivals' subsidies

By Andrew Baxter

A coalition of 24 Conservative and Labour-controlled councils will be launched today to fight for the survival of the UK steel industry. It will also demand more action from the government to end subsidies paid to rival Continental industries by their governments.

The councils, each of which has a steelworks in its area, claim that more than 50,000 jobs are at risk in the industry, more than the number lost recently in the coal industry.

Organisers say the industry faces pressure on two fronts. Subsidies paid to competitors in Italy, Spain and Germany puts them at a big disadvantage, while the continued overcapacity on the Continent badly affects what is left of the UK industry after closures which have cost 140,000 jobs in the past 15 years.

Mr Roger Stone, a Rotherham councillor and chairman of the new alliance, SteelAction, said the UK government either had to force the countries still paying subsidies to stop and make capacity cuts or it should give UK producers temporary financial help so that they can survive.

The launch of the coalition comes on the eve of a meeting of Eurofer, which groups the big European steelmakers, to discuss the industry's restructuring plans. Non-aided private companies are holding back from offering capacity until the European Commission takes a tougher line on subsidies.

The UK has taken a strong line against subsidies, but was isolated at the last European Union industry ministers meeting in December. This produced a widely criticised agreement on subsidies in return for limited capacity cuts.

Britain in brief

EU chief slams water estimates

The UK has overestimated the costs of complying with European water quality directives, Mr Ioannis Paleokrassas, the environment commissioner, said in London yesterday.

UK water companies have predicted that they will need to invest more than £10bn to bring water and sewage treatment standards in line with the Urban Waste Water directive. But Mr Paleokrassas, who met Ofwat and the National Rivers Authority, the water regulators, on Wednesday, said the eventual costs were likely to be "several billion pounds" lower.

The UK has attacked some standards as unnecessarily high, and asked for more time to comply. Yesterday Mr Paleokrassas said: "There will be no lowering of standards or lengthening of dates".

MMC power referral unlikely

Professor Stephen Littlechild, electricity industry regulator, is today expected to decide against referring National Power and PowerGen, the UK's two largest power generators, to the Monopolies and Mergers Commission.

The move will clear the way for the government to sell its 40 per cent stake in the companies later this year and realise at least £4bn.

In a statement of more than 20 pages Prof Littlechild will say that both National Power and PowerGen "have agreed to give undertakings such that a reference is not required".

London hospital reform unveiled

Guy's, the London teaching hospital that was the standard bearer of the government's market-based health reforms, will cease to provide normal hospital services under a controversial plan to reshape the capital's health services unveiled yesterday.

The package included £85m to improve primary care in London, the Royal Marsden, the famous London cancer centre, will become a trust while Charing Cross and Hammersmith hospitals may merge on a single site. Guy's will not close altogether. Parts of the site, including an as-yet unopened £140m wing will be used for teaching and research.

Unit trusts face big change

The unit trust industry is set to call for radical change to the way unit trusts are priced in order to meet the threat of increasing international competition.

The industry believes the existing "dual pricing" system, under which investors buy units at an "offer" price and sell at a lower "bid" price, is a barrier to its performance, especially outside the UK. It hopes that "single pricing" will make unit trusts easier for UK investors to understand and make the products more accessible to customers in US and European markets.

Scots plea over salmon

Scottish salmon farmers yesterday published an analysis of the Norwegian salmon farming industry which concluded that for five years it has been receiving a 20 per cent government subsidy and is bankrolled by the state-owned banking system. The study, by Ernst & Young, is being used to press the UK government to seek stronger European Union action against Norway.

Engineers upbeat on outlook

Engineering output will continue to recover after declining at the end of last year, the Engineering Employers' Federation predicted yesterday, but it warned against a deteriorating trade balance.

Mr Ian Thompson, economic adviser at the federation said that the recovery was being led by the electronics and motor vehicles sectors.

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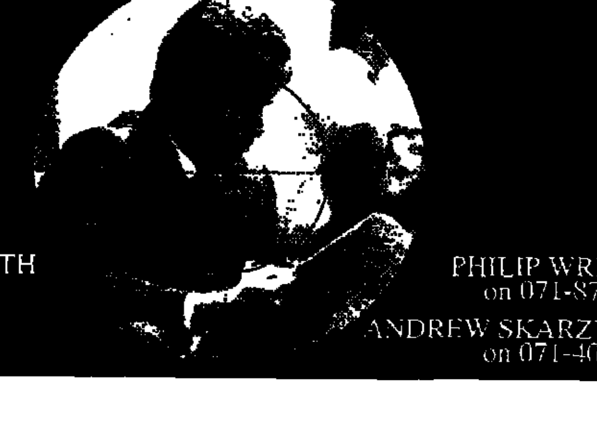

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The Company operates three manufacturing facilities, all of which correspond to Western standards. Its main products are corrugated cardboard and base paper, sack paper and fine paper. Its annual production capacity for corrugated board is 170 tons and for base paper, 140 tons. Since 1991, approximately $25 million has been invested in plant and equipment. The Company expects to be awarded the ISO 9002 quality designation for its corrugated box and paper manufacturing and for its sack and writing paper divisions in 1994.

Further information in Hungarian and in English may be obtained from Mr Gábor Domokos (telephone: 36-1-276 0624) or Ms. Karen McClellan (telephone: 36-1-267-0084 or 36-1-129-4650/ext. 2342; Fax: 36-1-149-8587) respectively.

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"ANIMA S.A." was established in 1983 (Off. Gaz. 2832/27.10.83) and started its production activities in June 1985. It engaged in the production of: a) thick yarns from by-products for the manufacturing of cleaning products (scrubbing-cloth and scrubbing mops) and b) thinner yarns to be used in weaving and knitting mills.

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- 1 yarn making machine SCHLAFHORST AUTOCORD SRK (1985).
- 2 roving frames FEHRER DREF/II (1984 & 1985).
- 1 draw frame ZIENSER 720/2 for general use (1985).
- 1 twisting frame GEMMIL DUNSMORE DD (1984).
- A humidifier plant LUWA, UNILUWA S40 (1984).
- An air filtering plant LUWA FDA (1984).
- Electrical installation.
- Water sypply installation and fire extinguishing installation.
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Total sales	177,972	200,741	218,235

N.B. The afore mentioned financial data derive from published balance sheets.

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1. All interested buyers are called to submit a non-binding written expression of interest within twenty (20) days.
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THE ELECTRONIC SAFE COMPANY LIMITED

Notice is hereby given pursuant to Section 98 of The Insolvency Act 1986 that a meeting of the creditors of the above named company will be held at Sherlock House, 7 Kendrick Place, London, W1H 3FF on 25th February 1994 at 12.00 noon for the purposes provided for in the Section 98 et seq.

A list of the names and addresses of the above Company's Creditors can be inspected at offices of Latham Crossley & Davis, Sherlock House, 7 Kendrick Place, London, W1H 3FF, between the hours of 10.00 am and 4.00 pm on the two business days preceding the Meeting of Creditors.

Dated this 3rd February 1994
GILES ELLERTON, Director

TAVERNS OF LONDON LIMITED

Notice is hereby given pursuant to Section 98 of The Insolvency Act 1986 that a meeting of the creditors of the above named company will be held at Sherlock Holmes Hotel, The Hudson Room, Baker Street, London W1 on 18th February 1994 at 12.00 noon for the purposes provided for in the Section 98 et seq.

A list of the names and addresses of the above Company's Creditors can be inspected at offices of Latham Crossley & Davis, Sherlock House, 7 Kendrick Place, London, W1H 3FF, between the hours of 10.00 am and 4.00 pm on the two business days preceding the Meeting of Creditors.

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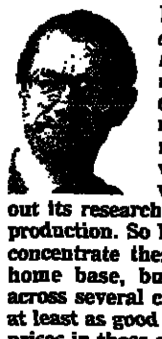
CHRISTOPHER LORENZ

Nationality should still count



In this age of *affaires sans frontières*, a company's nationality of ownership no longer matters. For a manufacturer, what counts is where it carries out its research, development and production. So long as it does not concentrate these activities in its home base, but disperses them across several countries, it can be at least as good an owner of enterprises in those countries as a local parent. It will often prove a better one, since it brings extra scale, skills and synergy.

That, in essence, has been the welcoming reaction of most enlightened politicians, economists and journalists to BMW's bold snatching of Rover from under the nose of the latter's Japanese parent-in-all-but-name, Honda.

Their reaction is more right than wrong, but nevertheless simplistic. So was last week's declaration by Michael Heseltine, the UK's trade and industry secretary, that "ownership is unimportant".

The reality is that, in many cases, nationality of ownership still matters considerably – but not always in the way people think. It should not matter, and eventually may cease to, but not for decades.

It is true that manufacturers of all nationalities have erected production plants all over Europe, America and Asia. But, contrary to the fashionable wisdom promulgated by influential academics such as Robert Reich – now US labour secretary – it is still the exception rather than the rule for higher value-adding activities, especially design, development and engineering, to be equally dispersed across borders. For various reasons, most German enterprises are especially loath to do this.

The truly "transnational" company – what Reich calls a "global web" – with high added value activities situated almost regardless of its headquarters nation – is the ideal corporate animal of the future from several points of view, but it is still a rare breed.

At present, except in companies such as ABB, Unilever, Hewlett-Packard, and a few chemicals giants, most units outside the home country direct their activities only at local or at best regional markets – they do not serve the world. This privilege is generally left to units at home, be that in Japan, the US or Europe.

As for the establishment of research units around the world, this brings multinationals much publicity, but is usually less significant than it looks.

With a few exceptions, most Japanese "R&D" laboratories in the US and Europe are off-line labs serving the home base – where the real added value is done. Nissan's European technical centre is an exception, doing design and development work which is integrated closely with the company's UK and Spanish plants.

Despite BMW's reassurances, a gradual seepage of work from Rover to Germany is likely

Nor is senior managerial decision-making usually as dispersed as the location of a company's physical facilities might suggest.

This is true not just of most Japanese multinationals, but also of many European ones, as Jim Hamill of Strathclyde University suggested in the FT on Monday.

In relatively few multinationals has the headquarters of even a single business division yet been transferred, or otherwise established, outside the home country. Yet this is a test of true "transnationality". In a few cases such moves have been reversed, and power clawed back home again.

The net result is that, in most companies – including the majority of German ones – the home country still benefits from an overwhelming "headquarters effect": an unusually high concentration of technical skills and senior decision-takers. This is true even of a long-standing "good international corporate citizen" such as IBM.

In these circumstances the question of nationality may still weigh heavily for the managers – and, in an ideal world unlike Rover's, the shareholders – of a company confronting a takeover from abroad.

When Rowntree, the UK chocolate maker, was faced with contested bids in 1988, both happened to be Swiss. It chose the right one: from Nestlé, which has treated it with respect, whereas it would almost certainly have been swamped by its alternative Swiss suitor, Suchard, which now has an American parent, Philip Morris.

In Rover's case, matters are complicated by the fact that BMW's home base is closer at hand than Honda's; this will reduce Rover's degree of future independence. As Ford has found, a company incurs a high cost, but not necessarily a commensurate benefit in market or organisational terms, if it operates closely-linked design and development activities in countries as near as Germany and Britain.

There will be considerable pressures over time within BMW-Rover to rationalise activity on to one site or other, as there have been at Ford. So, despite the reassurances that BMW has given, and the lower cost of doing design and engineering in Britain, a gradual seepage of highly skilled work to Germany is likely.

The situation is made more sensitive by the fact that BMW's nationality is more Bavarian than German – a far from fine distinction. Hardly anyone seems to have made the – for Britain, ominous – connection with the current controversy about where Audi, the Bavarian-based luxury offshoot of Volkswagen, should locate a new plant.

Last weekend the Bavarian prime minister's office said it would do everything in its power to have the car built in the state, rather than elsewhere in Germany or in Belgium.

For Rover, the best defence against external pressures of that kind, as well as internal ones within BMW, would be to persuade Honda to remain its minority parent. As companies such as the UK's Crosfield Electronics have found, it can do wonders for one's independence if one has two parents rather than one – especially if they have different nationalities.

Alexander Nicoll on the growth in multinationals' Chinese ventures

China's new wave

Hundreds of foreign companies have tested the Chinese water with a joint venture or two. The China wave, however, is moving fast as many companies learn from their experience, decide they are seriously committed, and examine how to proceed.

Stephen Shaw and Johannes Meier, in the latest McKinsey Quarterly, say it is too early to develop a set of broadly applicable best practices for companies wishing to expand their Chinese operations. But their survey of companies with ventures in China does reveal a pattern in "second generation" ventures. They also suggest that some advice often given to companies may already be out of date.

One factor separating the first and second generations is the amount of money they are committing. Companies still experimenting have an exposure of an average $10m (£6.6m) and plan to raise this to $50m by 1997. Those at the stage of accepting the many frustrations of doing business in China have already invested an average $50m and plan to increase their exposure to $200m within three years.

"No longer is experimentation the goal; the new objective is to build and hold a dominant share of the Chinese market, and to pre-empt, if possible, entry by other multinational corporations – and, very importantly, to do so while making good money along the way," write Shaw and Meier.

The Chinese economic infrastructure is so poor that getting bigger necessitates more ventures rather than larger factories and a national distribution network. Second-generation investors have at least four ventures, and some are into double figures. If you want to dominate in one particular industry, you need to establish links with producers spread around the country.

Sarah Murray

The purchasing power of Chinese consumers has soared to create a huge market

The usual "know-your-partner" guidelines for new entrants mean time-consuming negotiations with many parties. But the McKinsey writers suggest that experienced companies are increasing their clout, which reduces the need to find complementary objectives with each partner.

"The value added by local operating partners is usually quite low to begin with and steadily declines over time," they say. Instead, companies are forging relationships with the "mother-in-law" – the commissions and bureaux which stand above Chinese companies. "These potential mothers-in-law represent the best route to the permissions, tax concessions, 'locked-in' customers, and central funding they need."

Some companies, such as AT&T and Northern Telecom, have signed agreements with the ultimate mother-in-law, the State Planning Commission. More typical will be relationships with the ministry or bureau overseeing an industry.

The McKinsey authors note two ways in which companies are mitigating organisational complexities.

First, keep product and marketing strategies simple: concentrate on products with proven success around the world and tailor them for the Chinese as little as possible. Most companies have focused on the three leading urban markets of Shanghai, Guangzhou and Beijing and have kept their production facilities in as few places as possible. But they are increasingly seeking to build their own sales forces and distribution networks.

Second, the Chinese government has begun to allow foreign companies with several ventures to set up an "umbrella" enterprise which helps them to co-ordinate the activities and to appoint senior managers to oversee Chinese operations.

The purchasing power of Chinese consumers has soared. The market is huge and offers good returns. Shaw and Meier conclude that for those multinational corporations "that are not yet second generation players, being left behind has become a real and urgent risk".

How to join an 'inclusive' club

UK companies must abandon their obsession with the financial "bottom line". They should develop reciprocal rather than "power-based" relationships with customers and suppliers. And they will have to be clearer about their purpose and values.

Coming from a run-of-the-mill management consultancy such prescriptions would hardly appear startling. As some of the conclusions of a group of senior executives from 25 leading UK businesses, however, they are likely to make many people sit up.

The Inquiry into Tomorrow's Company – whose interim report was published in London yesterday – was established just over a year ago by the Royal Society for the encouragement of Arts, Manufactures & Commerce. Besides the active participation of companies spanning the industrial, service and financial sectors – British Gas, Cable and Wireless, NM Rothschild and Manpower to name but four – the project has attracted the interest and support of luminaries like Sir Adrian Cadbury, Sir John Harvey-Jones and Charles Handy.

Yesterday's 35-page document* charts the relatively poor performance of the UK in an increasingly competitive global market and sets out the team's preliminary criteria for future survival and success.

On the authors' own admission little of the analysis is new. Its purpose, however, is to highlight the gap between talk and action, underline the competitive threat to those who fail to take note, and stimulate further debate in the UK and elsewhere.

The main thesis is that the successful company of the future will have to adopt an "inclusive" approach. This means that relationships with all its "stakeholders" – customers, suppliers, employees, investors and the communities in which it operates – have to be nurtured and developed.

An important focus for the inquiry will be finding ways to measure the effectiveness of these relationships, so that companies are well informed about the associated costs and benefits when they are in conflict.

Other features of the "inclusive" approach are consistency of message and a recognition of interdependence.

Tim Dickson

**Copies from RSA Inquiry, RSA, 8 John Adam Street, London WC2N 6EZ. Tel: 071 839-1079. Price £50 (£35 RSA members)*

PROPERTY

Bargain buys in Europe

Renewed interest by investors suggests that the market may be turning, says **Vanessa Houlder**

Where are the best opportunities in Europe for property investors? After the uplift in the UK property market, investors are watching the continent for signs that other markets are emerging from recession.

Cross-border investment activity is still at a low ebb – except for the UK where the property market attracted overseas investment totalling £2.2bn in 1993, with Germans leading the way.

Many advisers believe that pan-European investment will pick up this year. "As markets move to the bottom of their cycle there will be clear opportunities during the year, ahead of an economic upswing, to do business at extremely attractive prices," says Jones Lang Wootton, chartered surveyors. Dutch and German investors, together with some UK investment funds, are likely to set the pace, it says.

Mr Richard Mully, managing director in charge of European real estate for Bankers Trust, reports strong interest from so called "bottom-fishers" – investors willing to buy properties with serious problems such as letting difficulties, if the price is sufficiently low. In some instances, prices have fallen by 80 per cent. "Bottom-fishers", which include US funds, are showing particular interest in Paris, Madrid, Milan and Portugal.

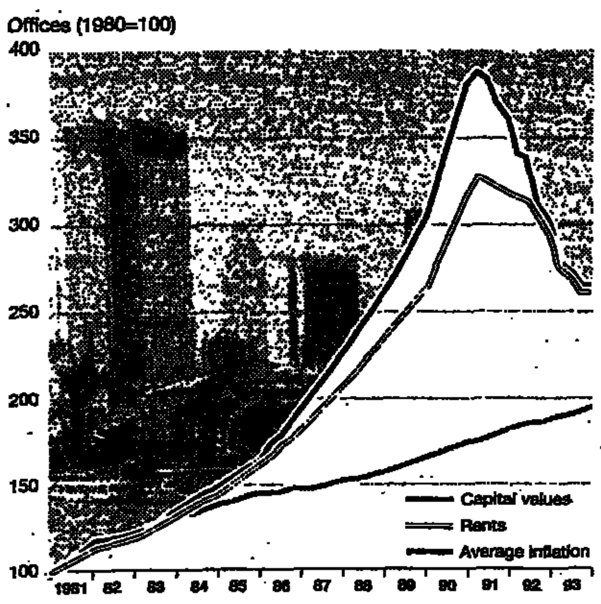
The carrot for prospective investors is the prospect of buying at close to the bottom of one of the deepest property recessions in recent memory.

Average capital values of prime offices in Europe's 14 largest property markets have fallen by a third from their peak in March 1991, according to Jones Lang Wootton. Property values are now at their lowest levels in real terms since 1986.

The case for renewed investment is largely based on the prospect of further interest rate falls across Europe and property's relatively high investment yields.

Against this there are problems in the letting market. Rents are falling and vacancy rates are rising in most markets. Since tenants on the continent generally sign short leases, investors cannot achieve the same security of income as in the UK, where leases run for 25 years.

European property index



Source: Jones Lang Wootton

Footloose investors may be tempted to look beyond Europe. In particular, parts of the US are attracting attention as the economy continues its expansion. Germans, the biggest overseas investors in the UK last year, are "likely to shift from the London market to North America during the course of this year", according to Knight Frank & Rutley, chartered surveyors.

Within the main European markets, investors face a choice of cities with varying prospects.

- In Brussels, the presence of the European Commission has insulated the city's commercial market from the worst of the downturn affecting other continental markets.

Belgium's recession and European Union expenditure controls may soon end this immunity. Vacancy rates have increased to about 8 per cent from a low of about 3 per cent in 1989, while rents fell by 15 per cent and capital values slumped by 13 per cent over the past year.

However, falling interest rates have stimulated new activity in the investment market, which nearly doubled in 1993 to about BFr30bn.

- In Paris's central business district, rents have fallen by some 30 per cent. Capital values have dropped by an estimated 44 per cent from the market's peak in 1990, according to Jones Lang Wootton. However, the investment market has remained stagnant as vendors have refused to accept reduced values.
- In Germany, demand has been weak, although some activity is beginning to return to the Frankfurt office sector, which is likely to benefit from the establishment of the European Monetary Institute in the city.

In spite of the downturn in the letting market in Germany, the investment sector has remained strong, as lower interest rates have increased property's attractions compared with bonds and equities.

- In Italy, both capital and rental values of Milanese offices have fallen by up to a third, according to Jones Lang Wootton.

The investment market has been inactive, but with interest rates at their lowest level for 17 years, property deals by domestic investors may soon pick up. Foreign investors, however, are likely to be deterred by Italy's political uncertainties.

- In Spain, rents have fallen by about half since their peak in 1990-91. This has encouraged some investors to conclude that the market is through the worst of its downturn. However, Knight Frank & Rutley reports that the investment market will not pick up until sellers are prepared to be more flexible on prices.

One of the largest investment deals in recent years was struck in Madrid last month when Fomenta de Construcciones y Contratas, one of Spain's largest private corporations, bought a portfolio of office buildings and retail centres for $350m. The price paid per square metre – Pta400,000 – was about a third of the portfolio's estimated peak value two years ago.

- In the Netherlands, take-up has fallen, vacancy rates have risen and rental levels could come under pressure this year. The investment market has been quiet, but the emergence of a positive yield gap could encourage investors to return to the market.
- The UK economy is now growing faster than most other EU competitors, fuelling hopes that the rental market will begin to stabilise over the next 12 months. These hopes, together with sharp falls in bond and equity yields have fuelled a strong recovery in the investment market.

It is not clear how far the overseas-led revival in demand for London office property will be repeated in other European cities as they emerge from recession. The liquidity and size of the London market, the city's prominence as an international business centre, together with security of income derived from long leases, make the UK capital a prime target for foreign funds.

Recovery in the continental markets may not be so pronounced or rapid as that of London. Nonetheless the interest being displayed by international investors for pockets of Europe's property markets suggests that the turning point of the cycle may be near.

"There are opportunities for investors to buy at yields which are historically high," says Mr Mully of Bankers Trust. "I think it is the first sign that investors are anticipating recovery."

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A Full report on the assets of SLPRC prepared by Purvin & Gertz, Consulting Engineers is available to the prospective purchasers at a price of US $1,000 per tender document.

Dates and times can be scheduled for visits to the SLPRC facilities. Please contact:

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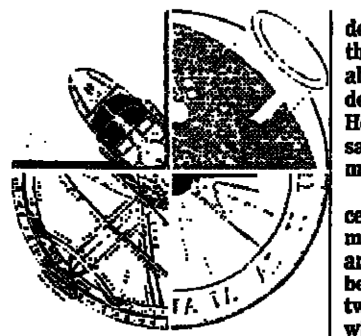
TECHNOLOGY

Worth Watching · Della Bradshaw



Cut down on PC power consumption

Computers consume more than 5 per cent of all industrial energy. Now, Korean electronics company Samsung has developed a range of screens that, the company says, reduce energy use by 70 per cent.

The screens, the most power-hungry element of the PC, include a power management system operating at four levels: on, standby, suspend and off.

When the machine is not used it moves into standby mode and the screen is switched off, reducing power consumption by up to 30 per cent. If unused for longer, the machine moves into suspend mode, when the main components also switch off, reducing power consumption by 85 per cent. This could prove particularly effective with people who forget to switch their PCs off overnight. Samsung: Korea, 822 727 7114; UK, 081 974 2782.

Wanted: easy test for venereal disease

One million dollars (£650,000), one of the largest medical prizes, is to be given by the Rockefeller Foundation in New York for the development of a low-cost and easy-to-use diagnostic test for two sexually transmitted diseases, gonorrhoea and chlamydia.

Applicants must develop a test for use in the developing countries, where there is neither refrigeration nor electricity. The operators of the scheme believe the test will also be widely used for screening in the developed world. Rockefeller Foundation: US, 212 869 8500.

New screening for foetal abnormalities

Pregnant women in Europe and East Asia could be offered a blood test as early as this autumn to determine definitively whether the child has genetic abnormalities. The new probes, developed by Aprogenex, of Houston, work on a simple blood sample removed from the mother's arm.

One probe identifies the foetal cells by their RNA, a unique marker showing which genes are active in the cell. RNA can be used to differentiate between two cells in the same person, where the DNA is identical – an eye cell and a hair cell, for example.

Further probes then check the chromosomes on the foetal cells for abnormalities. Aprogenex: US, 713 748 5114.

Colour photocopiers adapted for textiles

In the US colour photocopying is being adapted to replace traditional silk-screening to print images on everything from T-shirts to boxer shorts.

The Xerox Digital Textile Imaging service (XDTI) feeds images – generated on a PC screen or from any paper source – through a Xerox copier and prints them on to special transfer paper. The paper copy is then sent to the XDTI production centre near Seattle, where the images are heat-transferred on to the textile items.

The printed image has a resolution of 400 dots-per-inch, compared with an average of 80 dots-per-inch for silk screen printing. It also eliminates the need for multiple screens and inks. Xerox: US, 716 423 5090.

Passport photos 'decriminalised'

People who think their passport photo makes them look like a criminal rather than a tourist will be pleased to know that Société Française de Technologies (Soft), of Pleuhiden, France, has come up with a high-tech photo booth which claims to produce a far more flattering photo.

To begin with the client chooses his or her "best side" by looking at possible shots on television mini-screens. The absence of a flash means the model will not look startled. And because the photo is produced by chemical-free thermal imaging the photos emerge from the machine dry, and so do not stick together. Soft: France, 96 83 29 49.

Let the lifeblood flow freely

Ericsson's approach to research and development has lessons for the rest of Europe, says **Andrew Fisher**

Where mobile phones are popular

Source: Ericsson

Lars Ramqvist, the chief executive of Ericsson, has some incisive words to say about the power of innovation. He also has plenty of hard-won experience to back them up. In a nutshell, they are: invest to the utmost in developing new products or services, forget about short-term profits and be willing to take risks.

Compelling though these points are, companies often ignore them, especially in Europe. Yet innovation is the lifeblood of industry, creating growth and jobs. If the Swedish telecommunications group had not accelerated its spending on new products in 1991 at the expense of earnings and dividend growth, Ramqvist says, "we would not be sitting here". Not surprisingly, it was a move the group's US shareholders, who hold 40 per cent of the equity, found it hard to accept.

Ramqvist, a 54-year-old physicist and chemist, has been chosen to deliver next Tuesday's 1994 Innovation Lecture in London, partly sponsored by the UK's Department of Trade and Industry and the Confederation of British Industry. Last week in Stockholm, he explained why he thought Ericsson's recent history held some important lessons for his audience.

Some of his views are not likely to be palatable to UK executives, although the lecture will be couched in diplomatic rather than provocative language. Ramqvist admires the US approach to innovation, with its creativity, flexibility and willingness to take chances, but does not think enough people in Britain have yet got the message.

"In the UK, I have the impression, I'm sorry to say, that you have been extremely good at the first part of innovation – a lot of innovations were made in Britain – but you never managed fully to make them an industrial success," he says. The UK has been weaker in the final stages of innovation by failing to commercialise many ideas.

"You have been too prudent, too logical, you've done everything step-by-step. But in the end, the world has moved faster." Clearly, that charge does not apply to all companies. But it is no secret – and patent and R&D statistics back this up – that Britain lags behind much of the industrialised world and that Europe as a whole is behind the US and Japan.

Ericsson's single-minded approach to innovation, which meant spending 15 times more on R&D than on dividends, was risky in the tough, fast-moving telecoms market. "We only had one bullet in the gun, one shot – in mobile communications," Ramqvist says. "Because of the enormous spending, if we had missed on any aspect – microelectronics, the market niches or the timing – we would have been a dead duck." As it turned out, Ericsson hit the target. It developed new products – a third of its orders are for products less than two years old – and yesterday announced pre-tax profits for 1993 of SKr3.1bn (£265m), more than double those of 1992.

But the struggle to compete by bringing new products to the market more cheaply and more rapidly is by no means over. It never will be, Ramqvist says: "Innovation has no end." This is part of the message he will bring to his London audience. Innovation, he will stress, is both continuous and involves a number of activities at once – in research, development, production and marketing.

Ramqvist uses the vogue term "concurrent engineering" to describe what this means and the challenges it involves.

It takes around 15 months to develop a new microelectronics system and 12 months to order and install specially designed manufacturing equipment. So production engineers must be closely involved from the start. "If they were waiting for the silicon [chip] guys, it would take 2½ years." The software developers, of which Ericsson has 10,000, also need to be brought into the process early. "They want to see a chip in only a few weeks. They can't sit and wait." By following this method, Ericsson has saved time and money and brought its products out much more quickly than before. Four years ago, the time from order to delivery for one of its AXE switching systems was six months; now, it is 10 days.

Today, Ericsson has a 40 per cent share of the world market for mobile phone systems and one of over 50 per cent in digital cellular equipment. It is up against competitors such as Alcatel of France, Siemens of Germany, Motorola and AT&T of the US and Canada's Northern Telecom. Thus Ericsson will not be able to let up on the pace of its R&D spending, totalling Kr13bn last year, 20 per cent of sales (double the rate of its competitors) and more than double the level of five years ago.

Of course, Ericsson is favoured by the fact that voting control is in the hands of long-term shareholders, the Wallenberg family and Svenska Handelsbanken. Thus when Ramqvist stresses the importance of risk capital, he is speaking from a basis of loyal shareholder support, something not all companies enjoy to the same degree.

Ericsson does not do everything right, as Ramqvist admits. Its move into office equipment in the 1980s was a costly failure. And it was late in cutting costs, notes Tim Hirst, telecommunications analyst with Kleinwort Benson. But Hirst admires the company's investment drive, initiated at a time of dwindling profits. "They stuck to their guns and spent money on their product, although they were going through a difficult time."

Ramqvist sees no let-up yet in the pace of development spending. Ericsson is working hard on new systems for the next generation of multimedia communications combining sound and vision, where the computer and telecommunications industries converge: "We need new technology in the network, we need better and faster switches, we need powerful transmission networks."

Stomach ulcer upset

How can a bacterium with the decidedly inelegant name of *Helicobacter pylori* disrupt the money machine of the stomach ulcer drug business?

By being unmasked as a guilty party in triggering peptic ulcers – as a bacterium, *H pylori* can be killed by antibiotics, which are much cheaper than existing ulcer treatments.

This week, the US National Institutes of Health, a federal body based near Washington DC, decided the evidence that *H pylori* at least partly caused ulcers was so strong that doctors should alter their prescribing habits.

This is a radical change from the traditional view that excess stomach acid, produced by a variety of disorders including stress and smoking, causes ulcers. The traditional treatment is a class of drugs called H_2 antagonists which interfere with the acid-producing mechanisms of the body.

Since about 25m people in the US alone will suffer from ulcers at some time in their lives, ulcer treatment is a multi-billion dollar industry. Zantac, made by Glaxo of the UK, has been the world's best-selling drug since the mid-1980s and now has sales of more than £2bn a year. Tagamet, from Anglo-US company SmithKline Beecham, was formerly the world leader but sales are declining rapidly as its patents run out.

All is far from lost for H_2 antagonist makers in the wake of the NIH recommendations. *H pylori* is not present in all ulcer sufferers and is found in some healthy people. So doctors will test for it only in patients who already have ulcers and will administer both the traditional treatment (to cure the ulcer) and an antibiotic (to get rid of the cause).

Once the cause has gone, there is a sharply reduced risk of relapse, and therein lies the rub for the drug companies: some 25 per cent of Zantac sales are in "maintenance therapy" designed to prevent a relapse, according to analysts at Lehman Brothers.

If the result of the NIH report is that doctors increasingly abandon maintenance therapy, Glaxo is facing the stressful prospect of losing up to £500m a year in sales.

Daniel Green

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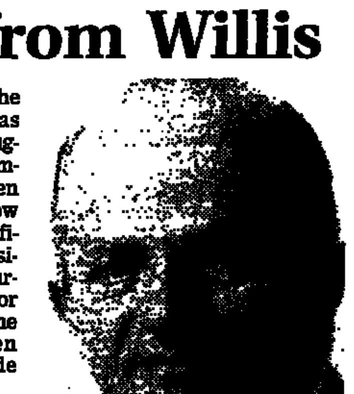
PEOPLE

GRE picks Robins from Willis



Guardian Royal Exchange, the composite insurer, is breaking new ground by appointing its new chief executive, John Robins, from outside the group. Robins, who is 54, is joining GRE from Willis Corroon, the insurance broker, where he has been group financial director since 1984. Before that he had spent most of his career in the food industry (at Fitch Lovell) and shoe businesses (at Bally Group). He replaces Sid Hopkins, 62, who will retire in August this year after completing 46 years with the group.

"The whole approach to the chief executive position has changed," explains Keith Lugden, director of corporate communications, who says proven skills in management are now seen as more important qualifications for GRE's senior positions than expertise in insurance. GRE made its first senior appointment from outside the insurance industry when James Morley was made finance director in 1990.

Robins leaves Willis at the end of March; he will be replaced by Richard Dalzell.

Mail order man moves his empire

Michael Hawker, who resigned as managing director of mail order company Freemans last July, is joining rival Empire Stores as managing director later this year.

Hawker was with Freemans for 13 years but left after Sears group chief executive Liam Strong decided a shake-up of management was needed to boost profits growth.

He will work with current managing director Jean-Baptiste Tefra as a part-time consultant before taking over later this year. Tefra is returning to parent group La Redoute, the French mail order group which acquired Empire in May 1991, although Empire says he will retain active links with the company.

Hawker faces the challenge of returning Empire, the UK's fifth largest mail order company with a 6 per cent market share, to profits after four years of losses.

CISCO challenge for Morris

The City Group for Smaller Companies, known by the acronym CISCO, has appointed Katie Morris, 39, as its new chief executive. She will replace Richard Balarkas, one of CISCO's co-founders, who will be joining Barclays de Zoete Wedd.

Morris, most recently with UBS, will take on the role just as the group debates whether or not it should form an exchange for smaller, entrepreneurial companies that would compete with the Stock Exchange. Morris is well acquainted with the Stock Exchange, having been seconded for a year to its ill-fated Taurus project for paperless settlement. "I'm not afraid to put my head above the parapet," Morris says.

She may have to. In December, the Stock Exchange put on ice a proposal from one of its own working parties, which included several Cisco members; this recommended that the Exchange operate the new exchange itself, though it said it was not sure that demand exists.

Cisco argues that there is overwhelming evidence of demand and that one way or another, a new exchange will be formed. Of course, Morris says: "It would clearly be so much better to run the market under the supervision of the Stock Exchange."

Edwards heads for Antipodes

The publisher Hodder Headline has appointed Malcolm Edwards, 43, as a director. Edwards replaces Michael Duffett – who resigned in January – in two operational roles: managing director of the company's Australian wing and chairman of its New Zealand subsidiary. Edwards is leaving his job as managing director of HarperCollins' subsidiary in South Africa, where he has spent most of his career.

Headline was founded in 1986 by Tim Hely-Hutchinson and two collaborators but merged last year with Hodder & Stoughton. Paul Coley, the company's finance director, explains that Hodder Headline alighted on Edwards largely as a result of HarperCollins' South African outpost having handled Hodder Headline's books on an agency basis. The Australian and New Zealand operations, he says, are the most important non-UK operations for the company.

■ Paul Coley has also been appointed company secretary on the resignation of Stewart Hughes, who was finance director of Hodder before the merger.

■ Ross Buckland, chief executive of UNIGATE, has been appointed acting chairman, following the death of Sir Brian Kellett.

■ Jean Pierre Gaumet has been appointed commercial director of Silcock Express France, part of TIBBETT & BRITTEN GROUP.

■ John Varney has been appointed md of Manor Bakeries; he is replaced as md of JA Sharwood by Elaine Underwood, formerly marketing director of RHM Foods, all part of TOMKINS.

■ Martyn Wheatley, company secretary, has also been appointed finance director of ITN.

■ James Rose, formerly senior vice-president for client sales and service in the US, has been appointed md for NIELSEN's operations in the British Isles; he succeeds Geoffrey Champion who is returning to head office.

■ Roger Wilson, formerly vice-president of marketing at Southwestern Bell International Holdings, has been appointed md of MIDLANDS CABLE COMMUNICATIONS.

■ Christopher Brake and Peter Emmens, both directors of Brake Bros Foodservice, have been appointed to the board of BRAKE BROS.

■ Sue Jones, formerly group treasurer at WPP, has been appointed finance director of JWT Europe.

Insurance moves

■ David Coleridge, the former chairman of the Lloyd's insurance market, is to step down as executive chairman of Sturge Holdings as soon as the insurance and broking group is able to appoint its first ever group chief executive. Coleridge, now 62, will become non-executive chairman.

■ Tony Baker has been appointed deputy director general of the Association of British Insurers. Baker, who is currently head of public affairs, will continue to be responsible for this area in his newly created position. He has been with the ABI since 1971.

■ Peter Greig has been appointed md and David Menzies a director of BAIN CLARKSON's accident and health division.

■ Alison Wollaston has been promoted to finance director of EMPLOYERS REINSURANCE.

■ Kate Harris has been appointed to the board of SEDGWICK Lloyd's Underwriting Agents. Derek Ford, deputy chairman and md of Sedgwick Energy, is appointed chairman. Bjorn Bergvall, chairman of Arvid Bergvall, Liam Mulhall, deputy chairman of Sedgwick Energy, Dick Peterson, vice-president of Sedgwick James, and Chris Williams, chief executive of Sedgwick Insurance and Reinsurance Services, have been appointed to the board of Sedgwick Payne.

■ Peter Day has been appointed md of BAIN CLARKSON Asset Management. Gary Hodder has been appointed md of Bain Clarkson's Newcastle office.

■ Robert Matthews and John Taylor have been appointed directors of SUN ALLIANCE Investment Management.

■ Alan Crayton (below left) is promoted from actuary to md of REFUGE ASSURANCE.

■ Alan Parsonson (below right), md of Providence Capitol Fund Managers, has also been appointed md of PROVIDENCE CAPITOL Life Assurance.

Theatre

Luscombe goes solo

We give too little honour to certain supporting actors. It is a rare artist who, in the tiny role of Moth, gives the most definitive performance in *Love's Labour's Lost*: which is precisely what Christopher Luscombe has been doing in the RSC's current production at Stratford. Likewise in *The Merchant of Venice* his Launcelot Gobbo is outstanding. Luscombe makes line after line register with new impact, and lends a sharper focus to every scene in which he belongs.

Alas, the RSC is not the ensemble it once was. How come the company employs artists like Luscombe on the one hand, and certain desperately unready and misguided supporting actors on the other, is a puzzle. An altogether simpler pleasure may be had from watching Luscombe solo in *Half Time*, a one-man show he has co-devised with his fellow-actor Richard Bonneville, and which is currently being presented at the Donmar Warehouse, late night at weekends.

The title *Half Time* is a multiple pun on the word "half", for the show's first half occurs at a Cambridge college during an alumni reunion while the students are away (in "the half"), and the second half occurs backstage while actors are preparing (in "the half") before a performance of *Hamlet*.

In 90 minutes, Luscombe plays nine characters, of both sexes and of all classes, making only the merest adjustments to his one basic outfit, perfectly gauging in every case the accent, vocal tone, and emotional lows and highs. Each character is presented as if talking to Luscombe himself; who plays all of them with a remarkable blend of malice and compassion.

Take the Master's suave-voiced upper-class wife: "You're our Thesbian" *(sic)* "of the evening?... Have you got a job?... A *proper* job?... Done any television?... Have you met David Attenborough at all?... He was at prep school with the Master." Awfully gracious, she is more dowdy and provincial than she knows. But it is her behaviour to her dog that is the real giveaway: it induces the only flash of real energy she ever shows. More in body language than in parlance, Luscombe invests this sourly condescending lady with a dash of real pathos and loneliness.

And Luscombe reveals each character in physical as well as vocal terms. Wonderful how, as the slow and self-important old college porter, he creakily bends and kneels to find a register book (and then forgets to pick it up as he heaves himself up again). Or how, as the young actor ("Sexpot") who plays Rosencrantz and is having an affair with the cast's Gertrude, he carefully adjusts the ghastly little tuft of hair he has sticking out through a gap in the baseball cap.

By such details, Luscombe brings to life more than just individual characters. You sense the atmospheres of different rooms, various relationships, and the mental climate of each milieu. Meanwhile each situation keeps getting funnier. *Hamlet*, apparently, is set in Art Deco scenery; and a voice over the tannoy says, "Everyone get ready for the first court scene, please. Dancers, stand by for the charleston." Meanwhile, the college's befuddled old senior tutor has arranged to see *Jurassic Park* a second time rather than suffer through the entertainment being presented to the alumni by – yes – Luscombe.

Alastair Macaulay

Half Time: Donmar Warehouse, 11pm, *Friday 4 and Saturday 5*

Shiva riding on a parrot, Kangra style c.1820, one of the many brilliantly colourful Indian paintings in the exhibition

A living picture of Hinduism

Patricia Morison finds much more than sacred cows at the British Museum

Hinduism is not well understood in the west, even though many of its individual features are familiar. One thinks of sacred cows, many-armed dancing gods, Hari Krishna, titillating stories of tantric excesses, TV epics and yogis who stand for years on one leg. The difficulty most people have is fitting these colourful elements into a coherent picture of the everyday religion of modern India.

For *Deities and Devotion* at the British Museum, Richard Blurton, its curator of oriental antiquities, has trawled the Museum's magnificent resources of Hindu art, and borrowed some others – in particular from the scandalously inaccessible hoard in the Victorian and Albert Museum. His aim is simple and admirably achieved: to explain and "demystify" Hinduism.

By the end of this century, Blurton points out, the Indian population will outstrip China's. Since the majority of Indians are Hindus, it behoves us all to form a picture of Hinduism as a living, evolving faith – although the resurgence of intolerant, militant Hindu fundamentalism is rather overlooked.

It is a beautiful show; but, more importantly, it sets out examples of Hindu devotional art, ancient and modern, to teach the essentials of the religion. The gallery looks stunning in red and saffron yellow, a remarkable improvement on the BM's customary boring world of grey and white. I particularly liked the calligraphy by Sehmi Satwinder of Alphabet Soups.

An exceptionally large quantity of Indian paintings is on view, lit dimly to protect them but brilliantly colourful. In the first section introducing the principal gods, there is a series of miniatures from Rajasthan of around 1800 depicting Vishnu in his ten orthodox incarnations. Here we find battling Rama of the *Ramayana* epic, playful Krishna, and Buddha, an example of a historical individual subsumed into the pantheon. Few of us would identify the splendid white parade-horse with a parasol attached to his saddle as the last incarnation of Vishnu as horse-headed Kalki, as he is yet to show himself.

Cruder images of gods abound from all over India; on comics, palm-leaf books, on the scrolls used by professional story-tellers, and on cheap and cheerful prints sold to pilgrims. The textiles are gorgeous and two in particular. An enormous 17th-century silk cloth made in Assam is cunningly woven with little images and text describing Vishnu's incarnations. Until last year it was in storage at the Museum of Mankind, misclassified as Thibetan.

As for a painted cotton hanging from Rajasthan, the BM should have it copied and put into production. On a sky-blue ground five rows of spritely white cows advancing towards each other, three to a side. Their horns and humps are coloured orange in honour of the festival which marks Krishna's erotic encounter with the milkmaids, or *gopi*.

Instead of the *gopi*, the cows are being urged on by images of a turbanned figure, the 15th-century holy man, Vallabhacharya. His devotion to Krishna helped push him into the first league of gods. At the same time but in a different corner of India, a holy man called Chaitanya founded the Hari Krishna sect whose accolytes now jingle their way along Oxford Street.

So one learns from Richard Blurton's helpful and attractively illustrated book, *Hindu Art* (British Museum Press, £14.95). Vallabhacharya's followers in Rajasthan have a tradition of making marvellous temple hangings like the cow-cloth, because they believe Krishna must live as elegantly and comfortably as possible. Their personal aim is "to live as full a material life as possible", making this one Indian sect FT readers might like to explore further.

By the end of *Deities and Devotions*, we have learned a lot. We have been introduced to some dozen gods, from amiable elephant-headed Ganesh to Kali the Destroyer and Jagganatha of Puri, whose festival car gave us the word juggernaut. Photographs and exhibits have evoked pilgrimages, rural religion, temple architecture, the rituals of worship, and Hinduism today.

Crucially, we have learned about the concept of *darshan*, the supreme moment of devotion when the Hindu believer makes eye-contact with the image of the god enshrined in the inner sanctum of the temple. *Darshan* is represented in the centre of the exhibition, in the adoring gaze fixed by a statue of Nandi, Shiva's patiently waiting bull-mount, on his master.

Shiva is here represented by an extremely fine 15th-century statue of him as teacher, but by this point we have understood something of the many faces and paradoxes of Shiva. He is both auspicious and inauspicious, male and female, represented as *linga* and *yoni*, which is to say phallus and vulva, the god of ecstasy and of transcendance. In this statue, his face is benign, and under his foot he treads the dwarf who symbolises Ignorance.

It was such an image which Diderot misunderstood to show a god who tore apart young children. This exhibition stands in an honourable tradition of dispelling ignorance and bringing Indian religion to a wider public.

Until April 19, sponsored by Bajaj Auto, Birla Technical Services and Mukand.

Marvellous Mukhamedov

Clement Crisp finds this dancer in excellent form at Sadler's Wells

Cheers – and several more than three – for Irek Mukhamedov in his short season at Sadler's Wells: for his dancing (which is stunning), for his colleagues (well chosen, gifted, and on best form), and for his enterprise (which in these hard times might have seemed foolhardy).

Like many Russian dancers, he knows that the public wants to see stars, not just in a formal opera house repertory, but showing off their gifts in more relaxed fashion, and simply showing off. Thus his first sorties in 1992/3 with a concert group, here and in Europe, reliant upon the drawing power of his name, of course, but encouraging new works and giving fresh opportunities to his colleagues in the Royal Ballet. Now he has brought a programme to Sadler's Wells for four nights, and its opening performance on Wednesday was excellently judged, and cheered to the echo.

A second purpose to the evening was also evident: Mukhamedov's need for new roles, valid settings for gifts which are unrivalled today. MacMillan gave him two tremendous ballets, and Mukhamedov has claimed almost everything else he has danced here as his own, by right of genius. So he has inspired a new *Othello* from Kim Brandstrup, and this forms the first and most significant part of the programme.

Brandstrup has used his favoured collaborators: Ian Dearden for music (synthesised, atmospheric); Craig Givens for design (a grand setting of massive pillars; long dresses for the women that swirl and move exquisitely; simple period costume for the men); Tina MacHugh for lighting (intensely responsive to the action).

Brandstrup's choreography for the early scenes is like a commentary on the narrative. It is characteristically clear, restrained, and slightly too uniform in tone. We know what is happening, but the charting of events is more illustrative than illuminating. It is when jealousy takes hold, when Brandstrup and Mukhamedov show us Othello's *torment*, that the dance claims its rightful identity as a language and not as accompaniment to some existing action. Once exposition is done – Brandstrup might edit with advantage – the tragedy takes its headlong course on dance terms.

Brandstrup's Arc Dance company provide a touching Desdemona (Leesa Phillips) and an insinuating Iago (Daniel Belton), but the work is Mukhamedov's and his Moor is a tremendous study of anguish. For the earliest moments there is an innocence to his reading which is very sympathetic; as the mood darkens, so does Mukhamedov's playing, and he brings off the killing of Desdemona and Othello's remorse with a tense, heart-tearing power. The portrait is harrowing, true. Its setting is handsome.

The rest of the evening might be considered as Beecham-esque lollipops, but these were of the best quality, and rather less familiar than is usual. Mukhamedov and Miyako Yoshida nipped through the Balanchine *Tarantella* in happy fashion, and then Leesa Phillips and Paul Liburd performed Darshan Singh Bhuller's sinuous erotic raga *Interlock*, first seen with London Contemporary Dance, with bodies entwined, bodies seeming one body. Some entwining also came in two Argentine Tangos, by Juan Carlos Copes, danced with a nice and mocking wit by Maria Mukhamedova (whom we remember as a character soloist with the Bolshoi) and her husband.

Very welcome, too, a new duet by Michael Corder for Lesley Collier and Paul Chalmer. Piano music by Poulenc; Corder's musical sensibility and stylish way with steps; Lesley Collier at her most elegant, and Chalmer a ideal partner – these made for a dance lyric whose discretion did not disguise its emotional force. Collier's dancing is now all virtues: watching her we see grace of means, purity of manner, the academic language beautifully nuanced. She is our most rewarding ballerina.

Maria Mukhamedova also appeared in a pretty solo from the Russian repertory: Kasyan Goleizovsky's *Russian dance*. A Tchaikovsky melody, Mukhamedova in long dress and *kokoshnik* head-dress, with the beguiling skill, that only Bolshoi dancers possess, to show the charm of the piece. And as the statutory closing fireworks, Mukhamedov and Yoshida in *Diana and Actaeon*. It is the pas de deux with which Mukhamedov first came to fame. He brings to it now a grandeur of scale – the Wells stage is far, far too small for him – and a bravura which are the stuff of legend. He also brings to it distinguished schooling: the tricks are never cheap, the technique is superbly sure. Yoshida darts and spins with uncanny ease: together the couple make roaring good sense of it. The audience, very properly, roars for more.

The Mukhamedov season continues at Sadler's Wells until February 12. Sponsorship by Daniel Katz and the Friends of Sadler's Wells.

ENO to invest in new productions

The English National Opera has decided to invest its way out of its financial problems. The new general director, Dennis Marks, believes that only by freshening up the repertoire with new productions can he raise audiences and attack an accumulated deficit of £2.4m, and an annual deficit of around £500,000.

In the 1994-1995 season the number of new productions is to be increased from six to eight. There will be two new "core" operas, *Tosca* and *Don Giovanni*; two newcomers to the ENO repertoire, Mussorgsky's *Khovanschina* and Massenet's *Don Quichotte*, plus Brecht and Weill's *Mahagonny*; and two British works, Tippett's *King Priam* and Britten's *A Midsummer Night's Dream*. Finally there will be a UK première for Schnittke's *Life with an Idiot*.

The policy will be paid for by economies which will mean redundancies; and a New Stages Appeal this season to raise £250,000.

Antony Thorncroft

INTERNATIONAL ARTS GUIDE

Wright retrospective

A retrospective devoted to the legendary American architect Frank Lloyd Wright (1867-1959) opens at New York's Museum of Modern Art on Feb 20. It is the first exhibition to have full access to the archives of the Wright Foundation, and includes 350 original drawings, 30 scale models, six full-scale wall constructions, more than 100 photographs and a selection of decorative blocks and other fragments. The organising themes are Wright's interpretation of nature, his use of technology, his relationship to European modernism, his relationship to the media and his changing vision of America.

The exhibition opens with Wright's work of the 1880s, when as an apprentice in Chicago, his talent was already evident. His design for a prototype Home in a Prairie Town (1900) revolutionised the American suburban home, and provided direction for his work over the next decade. His growing preoccupation with the relationship between architecture and landscape is illustrated by Taliesin I (1911), his country house in Wisconsin, and his lavish design for the Imperial Hotel in Tokyo, the original plaster model of which will be on show for the first time in the US.

The 1920s are represented by his Californian concrete-block houses, combining low cost with ornament, and the 1930s by the unrealised Broadacre City, his plan for a de-urbanised America. By the 1940s, Wright was using triangular, circular, hexagonal and spiral forms - the most spectacular example being the Guggenheim Museum in New York.

The projects of his final years, still bold in gesture if less elaborate, reflect the growing importance of the automobile in American life. A good example is his design for the Pittsburgh Point Park Civic Center, in which bridges bring high-speed traffic to a monumental structure containing civic amenities and ringed by parking facilities. The exhibition runs till May 10.

EXHIBITIONS GUIDE

AMSTERDAM

Rijksmuseum Dawn of the Golden Age: 350 works offering a magnificent survey of Northern Netherlandish Art around 1600. Ends March 6. Dutch Figure Drawings 1700-1850: a survey of a popular genre in Dutch art of the 18th and 19th centuries. Ends May 1. Closed Mon

Museum Het Rembrandthuis The Netherlands from Life: 90 prints of landscape and rural life by Ruisscher, Rembrandt, Van de Velde and others. Ends March 6. Daily

BASLE

Museum für Gegenwartskunst Joseph Beuys' Arena (1972): more than 100 painted photographs by one of the most controversial figures in Germany's postwar avant-garde. Ends June 26. Photography in contemporary German art: a study of the use and influence of photographs in the output of Beuys, Gerhard Richter, Sigmar Polke and others. Ends May 8. Closed Mon

BERLIN

Haus der Kulturen der Welt The Gardens of Islam; the depiction of gardens as an otherworldly paradise, with paintings, jewellery, textiles and carpets from Indonesia, the Middle East and Africa, plus a complete garden pavillion made of white marble and carved wood. Ends April 4. Closed Mon

Schloss Charlottenburg The First Europeans: artefacts of archaeological, scientific and artistic interest, painting a picture of early European civilisation. Ends Feb 18. Daily

Brücke Museum Fritz Bleyl (1886-1976): more than 100 drawings, watercolours and prints by one of the founders of the Brücke. Ends May 16. Ernst Ludwig Kirchner: street scenes 1913-15, the high point of Kirchner's expressionism. Closed Tues

LAUSANNE

Fondation de l'Hermitage The New Wave: Japanese woodcuts 1868-1939 from the Robert Muller Collection, illustrating how Kiyokata, Kiyoshiba and others used purity of colour and daring perspectives to revitalise a key Japanese art form. Ends May 1. Closed Mon

Musée d'Art Contemporain Takis (b1925): retrospective of the self-taught Greek artist. Ends April 4. Daily

Musée Cantonal des Beaux-Arts Masterworks of the 18th and 19th Centuries: paintings by Renoir, Degas, Cezanne, Bonnard, Vuillard, Vallotton and other works from the museum's collection. Ends Aug 14. Closed Mon

LONDON

National Gallery Claude: The Poetic Landscape. Ends April 10. Daily

Victoria and Albert Museum Fabergé: more than 350 treasures created by the House of Fabergé in imperial St Petersburg. Ends April 10. Daily

Royal Academy of Arts Art of the Ancient World: 300 masterpieces from the George Ortiz collection. Ends April 6. The Unknown Modigliani: 400 drawings created between 1906 and 1914. Ends April 4. Daily

National Portrait Gallery Holbein and the Court of Henry VIII: 28 portraits and five miniatures from the royal collection at Windsor. Ends April 17. Daily

LOS ANGELES

County Museum of Art Picasso and the Crying Women: 70 paintings from the 1930s, dominated by distorted and disquieting human images. Ends May 1. Closed Mon

MADRID

Fundacion Juan March Goya: the first opportunity in Spain to see the entire, magnificent range of the artist's graphic output - 288 prints in all - from the celebrated sets of the Caprichos, Desastres de la guerra and Proverbios, to the prints after Velazquez and the late Bulls of Bordeaux lithographs. Ends March 20. Daily

Centro de Arte Reina Sofia Nam June Paik (b1932): retrospective of the Korean video artist. Ends Feb 26. Closed Tues

MILAN

Palazzo Reale The Goths: the exhibition aims to shed light on a mysterious people, with new material dating from the first to the fourth centuries, on loan from the St Petersburg Hermitage and museums in Poland, Moldavia and Ukraine. Ends May 8

NEW YORK

Metropolitan Museum of Art The Golden Age of Danish Painting 1780-1850: more than 120 works from a period of great artistic productivity. Ends April 24. Caspar David Friedrich to Ferdinand Hodler: 19th century paintings and drawings from Germany and Switzerland, revealing strong currents of Romanticism. Ends April 24. Lucian Freud. Ends March 13. Degas Landscapes. Ends April 3. 16th Century Italian Renaissance Drawings in New York Collections: little-known works by Raphael, Michelangelo and Titian. Ends March 27. Closed Mon

Guggenheim Museum Robert Morris (b1931): 170 works by the American minimalist, focusing on sculptures, drawings and performance works. Ends April 17. The main museum is closed on Thurs, the SoHo site on Tues

Museum of Modern Art Feininger, Kandinsky and Klee: 75 prints and illustrated books produced by three Bauhaus artists, including rare examples of their early work. Ends May 17. Closed Wed

PARIS

Louvre Egypt's Role in Western Art 1730-1930: paintings, furniture, porcelain, jewellery and other works of art, illustrating how ancient Egypt has gripped the western imagination over the centuries. Ends April 18. Closed Tues

Musée d'Art Moderne de la Ville de Paris Around a Masterwork of Matisse: three monumental versions of the Dance. Ends March 6. Closed Mon (11 ave du President Wilson)

Musée du Luxembourg The Glorification of Saints in the Limousin Region: 100 examples of religious art from the Middle Ages to the 20th century. Ends March 9. Closed Mon (19 rue de Vaugirard, on edge of Luxembourg gardens)

Versailles Versailles and the Royal Tables of Europe from the 17th to 19th centuries. Ends Feb 27. Closed Mon

ROME

Palazzo Venezia The Normans 1030-1200: a vast exhibition examining every conceivable aspect of this extraordinary people. Includes scale models of fortified castles and objects in gold, silver and ivory from 140 American and European museums (250 pieces from the Caen Museum in Normandy alone), and a reproduction of the Bayeux tapestry. Ends April 30. Closed Mon

VIENNA

KunstHaus Le Corbusier (1887-1965): retrospective of the world-renowned Swiss architect, with 150 drawings, paintings, sculptures, architectural sketches, plans and models. Ends May 1. Daily

Secession Brice Marden (b1938): 20 paintings showing the American artist's interest in oriental calligraphy. Ends March 13. Closed Mon

Kunsthistorisches Museum Isabella d'Este, princess and patron of the Renaissance. Ends May 29. Baroque in Naples 1707-34: Neapolitan art from the era of the Austrian Viceroys. Ends Feb 20. Closed Mon

WASHINGTON

National Gallery of Art Egon Schiele: 70 works by the leading figure of Austrian Expressionism. Ends April 24. Renaissance Portrait Medals. Ends May 1. Hans Hemling's St John the Baptist and St Veronica: two panels by the late 15th century painter from Bruges. Ends May 15. Daily

Phillips Collection Brancusi: photographs and sculpture by the Romanian modernist. Ends April 17. Daily

Corcoran Gallery Meeting History: 36 art works from the 18th and 19th century, culled from historical societies and small museums in the Washington area. Ends April 3. Closed Tues

ZURICH

Kunsthaus Richard Gerstl (1883-1908): 70 portraits and landscapes by the least known of the great early 20th century Viennese Expressionists. Ends May 8. Joseph Beuys retrospective. Ends Feb 20. Closed Mon

THE FT INTERVIEW: President Leonid Kravchuk

Wily moves by grand master

Ukrainian President Leonid Kravchuk was delivering an impassioned warning about the consequences of a war between his country and Russia when an aide interrupted him: "Chancellor Kohl is on the telephone, Mr President." Mr Kravchuk wrapped up his sentence with the words "nuclear nightmare", shook his lacquered white helmet of hair and was gone.

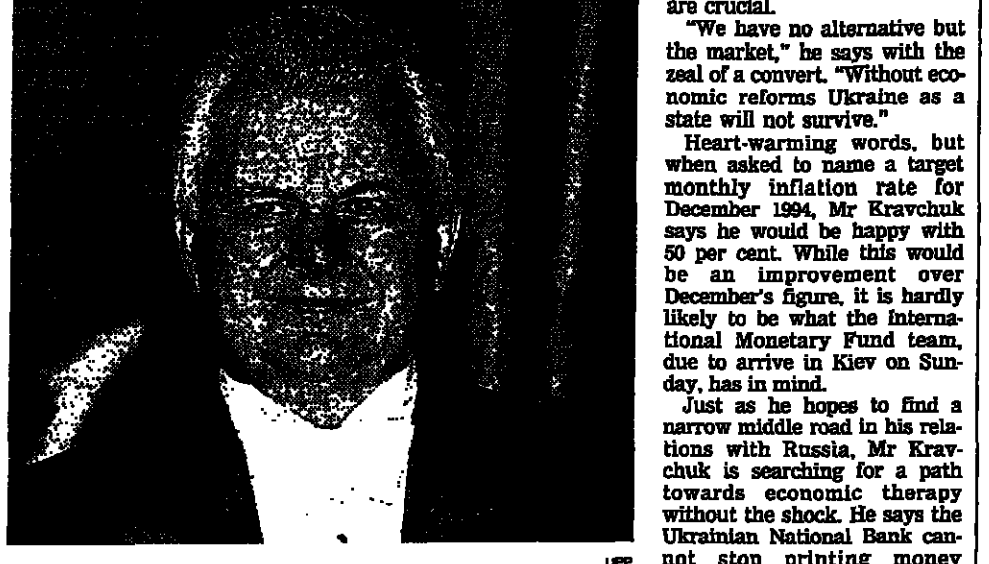
A telephone call from the German chancellor is one sign of the international attention being paid to Ukraine. Another is Mr Kravchuk's forthcoming visit to the US, which has been moved forward from March 16 to March 3.

Ukraine is in the spotlight because various factors – resurgent nationalism in Russia, last month's victory for Russian separatists in Ukraine's breakaway Crimean peninsular, and economic collapse – have converged over the past few weeks. Many observers, from the CIA to Britain's Royal United Services Institute, a defence think-tank, have come to a worrying consensus that "a probable conflict" is looming between Ukraine and Russia.

Mr Kravchuk, the first democratically elected president in the 1,000-year history of this nation of 53m, makes clear that the effects of war would be widespread. "Remember that Ukraine still has 176 nuclear missiles and that Russia has three times as many," he told the FT yesterday. "Let no one imagine that if a war were to explode between two such countries, he could be somehow immune to the nuclear poison that would be released."

For Ukraine, keeping the peace with Russia is a particularly tricky balancing act. On one hand, as Mr Kravchuk repeats again and again, Ukraine is eager to have "good neighbourly relations with Russia", which is, after all, its single biggest trading partner. On the other hand, he is equally emphatic that Ukraine will not surrender a single inch of sovereignty.

"I repeat again what I have from the very beginning: I will never take a single step in the direction of reducing Ukrainian independence. I will never change my position on this issue," Mr Kravchuk insisted in the cultivated Ukrainian which he pointedly speaks at all public appearances.



UPP

Kravchuk: Ukraine is eager to have 'good relations with Russia'

This deep-seated commitment to independence, which is shared even by the Russified and Russian-speaking members of the Ukrainian elete, is why Mr Kravchuk rejects the steps neighbouring Belarus has taken to ensure friendly relations with Russia – rejoining the rouble zone and re-entering Russia's foreign policy sphere of influence.

Although Ukraine's inflation rate of 80 per cent in December gives some indication of how rocky Kiev's road to independence has been, Mr Kravchuk is adamant that the Belarussian route "is not a resolution of the problem. It is a just a return of the old ways." Worryingly, economic chaos is prompting a similar desire for reintegration with Russia in Crimea and eastern Ukraine.

Walking the tightrope between friendly relations and reabsorption is a task to which the wily Mr Kravchuk is perhaps particularly well suited. Since 1991, when he underwent a conversion from communist ideologue to nationalist leader, Mr Kravchuk has won a certain notoriety as a man who has elevated vacillation into a political philosophy.

Now the politician who prides himself on his ranking as a chess Grand Master believes he has discovered a move which will help Ukraine maintain its precarious geopolitical balance – a strong relationship with the west. Mr Kravchuk's opening gambit came last month when he signed a historic tripartite agreement with the US and Russia, under which Ukraine pledged to give up all its nuclear weapons. He succeeded in an even more difficult move last week, when he persuaded Ukrainian parliamentarians – many of whom greeted the initial agreement with cries of treason and calls for impeachment – to remove obstacles to ratification of the accord.

Mr Kravchuk and US diplomats in Kiev, who are effusive in their praise of the president's "remarkable political skills", say the nuclear issue is decided. They believe Ukraine will surrender all its nuclear weapons and Mr Kravchuk himself thinks it is just a matter of time – perhaps later this month – before the Ukrainian parliament joins the Nuclear Non-Proliferation Treaty.

But the president has not orchestrated this newly amenable stance on the nuclear issue without expecting something in return. In addition to upwards of $1bn, which Ukraine is slated to receive from a company sponsored by the US government for the enriched uranium in its nuclear warheads, Mr Kravchuk is also counting on massive western assistance for the economic reforms he believes are crucial.

"We have no alternative but the market," he says with the zeal of a convert. "Without economic reforms Ukraine as a state will not survive."

Heart-warming words, but when asked to name a target monthly inflation rate for December 1994, Mr Kravchuk says he would be happy with 50 per cent. While this would be an improvement over December's figure, it is hardly likely to be what the International Monetary Fund team, due to arrive in Kiev on Sunday, has in mind.

Just as he hopes to find a narrow middle road in his relations with Russia, Mr Kravchuk is searching for a path towards economic therapy without the shock. He says the Ukrainian National Bank cannot stop printing money because "that would stop the entire economy", yet he wants to stabilise the currency, the Ukranian coupon, and speaks of introducing a harder national currency this year.

To bridge the gap between the market reforms that he would like to get under way and the social stability he is intent on maintaining, he is counting on hefty aid from the west. "We will need a stabilising fund of between $3bn and $4bn to introduce our new currency," he says.

Mr Roman Shpek, the young, urbane minister of the economy charged with conducting negotiations with the IMF, said Ukraine would like a "bridge loan" of $300m from the US, a $700m "systemic transformation loan" from the IMF, and $400m for sectoral reform from the World Bank.

In future conversations with the German chancellor, and when he visits Washington, Mr Kravchuk will perhaps try to explain that a few billion dollars are a small price to pay if the alternative is war between Ukraine and Russia. But if he fails to persuade the west to give him money, as Russia's experience suggests he might, it is hard to imagine what sort of gambit Mr Kravchuk could devise next to preserve his country's independence.

Chrystia Freeland

Joe Rogaly

Journo-porn misses story

If the succession of British political scandals bewilders you and perhaps makes you nauseous, clutch two simple handrails. One: no general election need be held before April 1997. The Conservatives may have overstayed their welcome, but they are not about to depart. Two: as in the US, political discourse has become muddied by an obsession with private behaviour. The word "morality", which should mean an awareness of the difference between right and wrong in all spheres of life, is treated as if it applies only to the realm of the senses.

Let us take these statements in reverse order. Senses first. Look around. In developed democracies the sale of titillation is more than merely a by-product of prosperity. It is of the essence in a free-market, individualistic, open society in which religious observance has declined and traditional social structures have begun to wither away. Life is longer than ever. There is not always enough to do. Time is filled by contemplating a bewilderingly copious selection of temptations. The growing mountain of goods and services must be sold retail, a task that is most easily accomplished by appealing to the supposed desires, or the easily stimulated imaginations, of jaded consumers. We need not linger long over the endless list of examples. Just let us say Häagen-Dasz ice-cream, fast cars graced by fast women, holidays for romance, Jaffas for warm sunshine. Those should suffice.

There is, however, one significant and relatively recent addition, comprising an entire category of products. Entertainment, which is a highly profitable sub-sector of the increasingly dominant information industry, constantly massages our subconscious minds with images that Freud would not have had the audacity to conceive, and Kraft-Ebing might not have believed. We see the results on film, in videos and on TV. We may wring our hands, but we keep our eyes and ears wide open. We await with nervous eagerness the advent of unified electronic devices, virtual reality, armchair shopping, love on a microchip. We cannot be surprised if in such circumstances a section of the media has replicated the Roman circus, with real victims.

On both sides of the Atlantic, writers and broadcasters manufacture and peddle cruel and salacious gossip about individual politicians. Some of it is even true. Relevant or not, it is the stuff of commerce, at least in Britain and the US. The precise configuration varies, but titillation is a hot seller everywhere in the west. In most continental European countries tittle-tattle about government ministers may not sell as well as stories about stars of sport or showbusiness. French or German late-night TV amazes British visitors who are unprepared for it. In the US the trade in political gossip has changed, for the worse. Nothing was said in public about President John Kennedy's behaviour during his lifetime; today everything is surmised about President Bill Clinton's private life. Perhaps it has something to do with feminism.

In Britain the victims of journo-porn are well-known: Diana, Charles, Parkinson, Mellor, Caithness, Norris, Milligan. Each is a special case. For every name there is a self-interested, puffed-up "justification". What all have in common is that someone's reputation has become the stuff of a lucrative trade. Maligning it has sold newspapers, enlarged TV audiences. The peculiarly British elements of this traffic in tortured souls need not detain us. The point is that none of it should have anything to do with politics. Links between private behaviour and public competence or acceptability are indeed made, often by a gullible public, but that is everyone's loss.

Sir Robin chided the press for calling immunity certificates 'gagging orders'. What would *you* call them?

Things that really matter are subjected to an excess of reticence, not its absence. This week the cabinet secretary, Sir Robin Butler has appeared before the Scott inquiry into the sale of armament-manufacturing equipment to Iraq. One question before Lord Justice Scott is whether ministers misled Parliament about the sales; another challenges the issuance by ministers of "public interest immunity certificates". To use Sir Robin's definition, these "put in the hands of the court the decision whether the information covered by the certificates should be disclosed to the defence". Withholding the information might have led to the unjust imprisonment of the defendants in the Matrix Churchill trial.

The straightforward approach would be to confess that there has been hocus-pocus, and to defend it on the ground that selling arms is not a business that would be successful if managed by nuns. Sir Robin issued a statement castigating the press for what he believed to be wild allegations based on what has been said at the inquiry; in particular to the depiction of immunity certificates as "gagging orders". What would *you* call them?

So far as can be told, Sir Robin is a decent official. He is, however, running a system whose decency is no longer self-evident. As I understand it, he is a proponent of the civil service doctrine that, where needs dictate, only part of the truth about a particular matter need be told. This thesis is not new. It long predates the present cabinet secretary. British officials are not only economical with the truth; they are positively parsimonious. They rarely lie, perhaps never. Instead, most of them instinctively avoid complete candour. Lord Justice Scott has been invited to tell us whether in the Matrix Churchill case they played this ancient game according to its indefinable rules. With luck, he will tell us whether the game should be played at all.

His report could have more effect on the Conservatives' fortunes than the latest surge of scandal-mongering. Comparisons are made with the last days of Harold Macmillan's government, when the Conservatives were rotting on the vine. The principal victim was John Profumo, who lied to the House of Commons. He resigned in June 1963; the election followed in October 1964. Labour won, by a whisker. If history repeated itself in, say, June or July 1995, the Tories would probably lose. Barring a rush of blood to the prime minister's head, or an unprecedented rash of by-elections resulting in the loss of the government's majority, there is little chance of a contest before 1996. This week's character assassination should mean nothing now; it will certainly mean nothing then.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

A lesson in the need for capital

From Mr Simon J Brown.

Sir, There is a certain irony in your article "Equip us for competitiveness" (Management: The Growing Business, February 8), concerning the visits which our association organised for Treasury officials to see for themselves the need for high-tech investment by small and medium-sized enterprises.

On the very day of the visits, a leading British machine tool manufacturer, FMT Holdings, with technology and expertise in advance of US and European competitors and equal to any technology employed by the Japanese, was being forced into receivership by a lack of working capital which prevented it from taking advantage of any upturn in business.

The company manufactured the kind of state-of-the-art technology in which UK companies should be investing to remain competitive. But are not doing so, especially in the SME bracket.

There is a serious lesson in this for the banks and the government in that, having weathered such a long and deep recession, we are finding many examples of companies which are falling short of working capital, or which are unable to raise the finance for the crucial investment they need to make to improve their prospects for new business and markets.

The message which came over very clearly from the companies visited by the Treasury is that UK industry has an opportunity for growth which it has not had for more than a generation. Such an opportunity can only occur if the investment in competitive technology follows. It is an opportunity that must not be missed through lack of finance.

Simon J Brown,
director general,
Machine Tool Technologies Association,
62 Bayswater Road,
London W2 3PS

Opening Tuzla airport is vital

From Mr Andy Chadwick.

Sir, I have just returned from Tuzla in central Bosnia where I work for Oxfam, and I was struck by the force of your editorial, "Something must be done" (February 7). You are right, I believe, to pinpoint the reopening of Tuzla airport as the most important action that the UN could take at this time.

If decisive action is not taken to defend civilians in all of the safe areas (including Sarajevo and Tuzla) and to ensure relief supplies get through, then the relief effort will collapse. At present the greatest danger to aid workers is from angry and frustrated civilians who perceive that the UN is weak, ineffective or biased. It is time governments made plain that the UN can be strong, effective and impartial in its delivery of humanitarian relief.

The plight of civilians in Tuzla is severe. Although it is nominally a "safe area", an effective blockade allows only 20 per cent of food needs to be provided. A single egg costs £1. As in Sarajevo, sporadic shelling is a tactic designed to catch people unawares and in the open and therefore cause maximum civilian casualties.

Not only will reopening Tuzla airport relieve immediate suffering, but it would also help restore the battered reputation of the UN throughout former Yugoslavia. The UN should immediately announce that, by a set date, Tuzla airport must be opened to relief flights. The UN must state that that objective and deadline are non-negotiable. What can be negotiated are measures to ensure that all parties can be satisfied that only relief supplies will be flown in.

Once the deadline is passed, General Sir Michael Rose must, as your editorial makes plain, reopen the airport and be able to call on close air support from Nato to defend aid flights.

Andy Chadwick,
Oxfam,
274 Banbury Road,
Oxford OX2 7DZ

Managers must earn their options

From Mr Angus W Matheson and Mr David M Simpson.

Sir, Attention continues to focus on share options as a means of motivating company management, the size of reward such options can generate and whether shareholders can reasonably expect that such reward is related directly to the underlying financial performance of the company in question.

It is perhaps worth restating, therefore, the purpose behind the joint statement last summer by the National Association of Pension Funds and the Association of British Insurers on executive share schemes and performance.

Investors quite reasonably encourage management to achieve sustained improvement in the underlying financial performance of the companies in which they have invested. The statement by the two associations promotes that aim. It recognises that performance requirements may need to be tailored to the circumstances of an individual company. For this reason, the statement makes quite clear that it is for the remuneration committees to determine the most appropriate criteria to measure management performance.

Linking the exercise of options to the achievement of sustained underlying financial performance by a company must be in the best long-term interests of both the company and its long-term shareholders. If shareholders understand the basis on which the chosen criteria have been set, they will understand and appreciate the effort and achievement of the management in question.

The joint statement is not prescriptive and it is encouraging that companies are increasingly acknowledging the desirability of relating the significant returns that can be realised from executive share options to a sustained level of performance by the management in question and not simply the general level of share prices from time to time.

Angus W Matheson,
chairman,
investment committee,
National Association of Pension Funds,
David M Simpson,
chairman,
investment committee,
Association of British Insurers,
London

Not Mammon

From Mr Stephen L Phillips.

Sir, You illustrated the article, "Chinese laws crack down on foreign missionary activity" (February 7), with a photograph of a McDonald's restaurant in Beijing.

I suspect that the new controls exempt temples devoted exclusively to the worship of Mammon.

Stephen L Phillips,
chairman,
Hygicare,
Whitegate Industrial Estate,
Wrexham,
Clwyd LL13 8UG

Bonus to let doctors sleep in

From Mr Peter Vos.

Sir, To add a twist to recent correspondence on GP's working hours (Letters, February 5/6), I would like to suggest an improvement to benefit both doctors and patients. Why not introduce a no-claims bonus system by which patients who have made fewest calls on the doctor in the previous year are given a priority on choice of appointment times? Perhaps for busy people, a special early morning reserved slot could be introduced. Naturally, night-time calls would lead to rapid loss of bonus points. Genuine emergencies would be unaffected, provided the doctor agreed with the need for an emergency call after attending the patient.

Now that most practices are computerised, this system should be relatively easy to run, with perhaps three priority categories for patients.

Peter Vos,
17 Vicarage Lane,
East Preston, Littlehampton,
West Sussex BN16 2SP

Lunchtime olive branch

From Mr David Kovarsky.

Sir, Certain points in your article ("Fly in Jo'burg soup", February 9) need clarification. I was prepared to cancel the lunch if the ANC refused to attend because of Nigel Bruce's presence. The ANC knew this, as did Bruce.

Bruce communicated only once with Pallo Jordan on the matter. He expressed his regret and also withdrew from the lunch. The olive branch was not extended to secure a place at a lunch, it was extended to heal a relationship.

David C Kovarsky,
managing director,
Times Media,
11 Diagonal Street,
Johannesburg 2001, S Africa

CBI's point on recovery

From Mr Howard Davies.

Sir, I did not state, as you report (February 10), that "tax increases in April will not harm the recovery". What I said was "tax increases in April will not halt recovery" – quite a crucial difference.

I acknowledged that the economy might not grow as rapidly as it seems to have done in the last quarter of 1993. But I also argued that analysis of past large tax increases in 1967-68, 1973-74 and 1981-82 did not suggest a slowdown in consumer spending was inevitable if the savings ratio fell.

Our forecast for 1994 envisages growth of 2.5 per cent, taking the impact of the budget tax increases into account.

Howard Davies,
director-general,
Confederation of British Industry,
Centre Point,
103 New Oxford Street,
London WC1A 1DU

Snow contest.

FT guide to the Winter Olympics.

The FT Winter Olympics Magazine, which will be published with the Financial Times on Monday, February 14 is sponsored by IBM, Kodak and Seiko.

It will provide a combination of background information and intelligent insights to enhance your enjoyment of the Games.

FT. Because business is never black and white.

FINANCIAL TIMES

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Friday February 11 1994

Bosnia needs more

"The situation for the population continues to be dramatic and unacceptable. There should be no doubt about the firm determination of Nato and its member nations to act against those responsible so that the resolutions of the UN Security Council are respected and the suffering brought to an end. In this context, it is essential that the Bosnian Serbs lift without delay the siege of Sarajevo and that the heights around the city and the means of access are placed under the control of Unprofor."

So said the North Atlantic Council (NAC) on August 9 1993. A week earlier it had decided "to make immediate preparations for undertaking, in the event that the strangulation of Sarajevo and other areas continues, ... stronger measures including air strikes against those responsible".

Six months later, the siege has not been lifted. The heights and means of access remain under Bosnian Serb control. The "strangulation" of Sarajevo and other areas continues. So did the shelling, more or less continuously – until, last Saturday, one shell landing in a Sarajevo street market brought the city's agony back to western television screens and, thereby, jolted Nato into ... well, not action exactly, but a new meeting and a new ultimatum.

"No one should doubt Nato's resolve," says President Bill Clinton. On past form that is exactly what one should doubt. True, this time there is a precise deadline. The Bosnian Serbs have been given 10 days, not to end the siege of Sarajevo but – "with a view to ending it" – to withdraw, or "regroup and place under Unprofor control", their heavy weapons located within 20km (12¼ miles) of the city centre. After that, such weapons not under Unprofor control will be "subject to Nato air strikes". No further meeting of the NAC is required, and the "request" from the UN secretary-general has already been received – though "close co-ordination" with him, as the person to whom UN commanders on the ground are answerable, will still be necessary.

Inhibiting factors

Last year, the concern of UN commanders for the safety of their troops was one of the main inhibiting factors. Now, it seems, that factor has changed sides. General Jean Cot, the overall Unprofor commander, and General Sir Michael Rose, the commander in Bosnia, both favour a tougher line to restore some credibility to their mandate. They see air strikes, or at least the credible threat of them, as a useful, perhaps even essential, element in that strategy. Nato's excuses for not acting, if its bluff is called, are running out.

One familiar excuse has reappeared, in the shape of strong protests from Russia. But western governments can hardly allow good relations with Russia, however desirable in themselves, to be their only objective. And Russia, for its part, should consider the effect on western and Moslem public opinion if it appears to aid and abet the Serbs in a policy of starvation, massacre and conquest.

Maximum confusion

So the Serbs would be unwise to call Nato's bluff, and the signs are they are not going to – at least not directly or immediately. They have promised to move their guns and observe a ceasefire. But they are masters of prevarication. (Remember their symbolic but tactically meaningless withdrawal from Mount Igman last August.) It would be altogether in character for them to move some weapons, invite Unprofor to take "control" of others in circumstances which make UN soldiers effectively their hostages, and then accuse the Bosnian government either of breaking the ceasefire or of concealing some of its own weapons, or both, so creating maximum confusion. It is equally likely they will increase the pressure elsewhere in Bosnia, most obviously on the Canadian garrison at Srebrenica.

Relief of the Canadians by a Dutch contingent had been proceeding more or less smoothly. It seems incredible that Nato's latest decisions make no mention of this, nor of opening the airport at Tuzla, the two specific demands made by the Nato summit exactly a month ago. If Nato had a strategy in Bosnia it should have reiterated these two demands and made them subject to the same deadline. The airport at Tuzla, especially, offers the only real hope of relief for suffering civilians in central Bosnia and thus also the only hope of restoring credibility to the entire UN operation – as the letter on the opposite page, from the Oxfam representative there, points out. It is also crucial to any strategy for maintaining even part of Bosnia as a viable state under government control, which must be the centrepiece of all peace plans and mediation efforts.

But Nato does not have a strategy. It has only a spasmodic reflex of reacting to events under public pressure.

Governance and the Asians

Few doubt that the world economy's centre of gravity is shifting away from the members of the OECD club towards the fast-growing countries of east and south-east Asia. There is also a broad consensus that Europe is a high-cost region which will have to change its ways to adapt to a novel distribution of economic growth. More difficult is to decide which ways have to change. Where corporate governance is concerned, is one model likely to be better than another in coping with the shock of adjusting to the Asian competitive challenge?

In an interim report entitled Tomorrow's Company, a team put together by Britain's quaintly named but influential Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA) is critical of the Anglo-Saxon tendency to define business success in terms of a single "bottom line". While acknowledging the importance of profit, the RSA, which involved 25 of Britain's top companies in the study, seeks a wider definition of business success. It puts a case for a version of the stakeholder approach, which has more in common with the German and Japanese corporate cultures than those of the English-speaking world.

Important internal and external relationships such as those with employees, customers and suppliers, as well as investors, are identified as being fundamental to competitive performance. And the report calls for the development of non-financial performance targets, as well as corporate reporting on all stakeholder relationships.

Not new

While this is not new, it is certainly ahead of current boardroom thinking in much of British industry and commerce. Whether it is right is harder to judge. While it is tempting to identify correlations between successful macro-economic performance and systems of corporate governance, the causality is vague. Nor are styles of corporate governance readily transplanted from one country to another.

The strength of the German system of insider corporate control in today's context is that it permits companies to increase expenditure on R&D and employee training when they are undergoing restructuring, while cutting dividends. By contrast, in the Anglo-Saxon system, where outside shareholders have a much less firm commitment to support the company through difficult times, the dividend tends to be sacrosanct whereas investment is not. Implicit contracts between the company and its stakeholders are all too easily broken under the discipline of hostile takeovers.

Big changes

That said, systems like the German or Japanese, where big changes in corporate direction have to command support or even agreement throughout the organisation, are cumbersome. A successful response to the Asian challenge lies in facilitating rather than postponing structural adjustment. Labour market flexibility is thus a prerequisite. All the signs are that Europe's highest-cost producer, Germany, is struggling to overcome the handicap of labour market rigidities that have contributed to social cohesion in the past, but now inhibit economic growth. Meanwhile, Japan's ability to adjust its employment practices to the requirements of fast-changing economic circumstances appears dependent on the length and depth of its present recession. It is unable to make significant changes without shock treatment.

The merit of the RSA's approach, in this context, is that it acknowledges the importance of human capital and the need to inspire people to new levels of skill and creativity; also the inability of conventional accounting to capture such things. But a foolproof methodology for measuring non-financial performance may prove elusive. That is a tough test for the final report.

Economic and political upheavals make today's US-Japan summit unpredictable, say **Jurek Martin** and **William Dawkins**

Sparring partners in a new game

In the good old days BC (Before Clinton), there used to be a comfortable ritual to annual US-Japanese summits. American congressmen would rant and rave about Japanese trade practices, and perhaps do violence to some Japanese product on the lawns of the Capitol; US negotiators would talk tough in the pursuit of processes known by acronyms, such as MOSS or SII, whose letters mean less with the passing years; and a Japanese prime minister would arrive gift-laden, with an economic stimulus package here, or a trade concession there, to be told by the US president, concerned above all with cold war geopolitics, that the US had no more important bilateral relationship in the world than with Japan. He would then go back to Tokyo to bask in the warm glow of a Ron-Yasu or George-Toshi friendship, secure in the knowledge that, whatever enemies existed in America, there was a firm protector in the White House.

No more. There has never been a less predictable US-Japanese summit than that scheduled today between Mr Morohiro Hosokawa and President Bill Clinton. Their common political lineage – a pair of progressive regional governors now intent on reforming their nations against entrenched opposition – is itself an unusual ingredient: none of the Liberal Democratic prime ministers who presided over the Japanese system for 38 years can be said to have come from a stable comparable to his US presidential counterpart.

Now all the old economic and political certitudes are in question. Japan is in the throes of a political revolution, the outcome of which is unclear. But it is definitely stuck in the third year of an economic recession. The US, in contrast, is in the third year of expansion and is flexing its economic muscle on the global commercial stage. It no longer looks at Japanese achievements with envy, devising ways of protecting US industry from tidal waves of Japanese products.

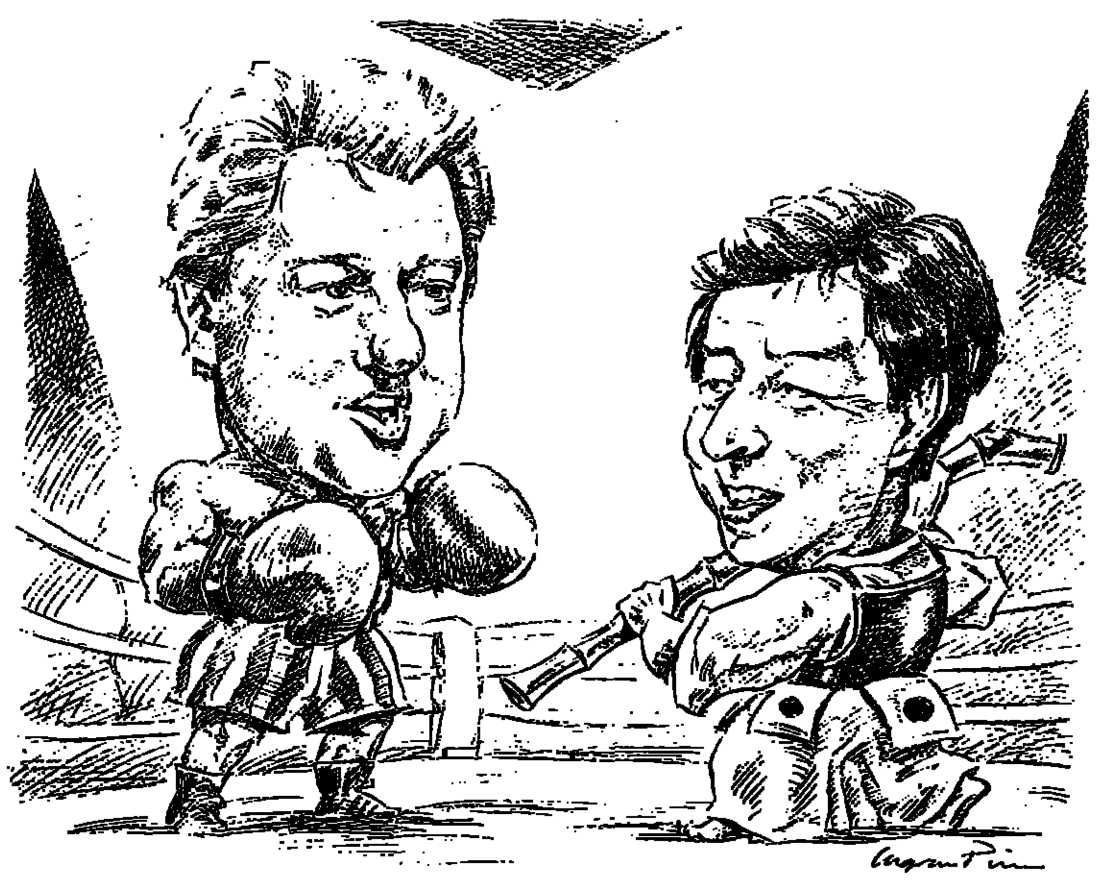
Instead, under the banner of open markets, the US seems more determined than ever before to extract from Japan significant changes in the way it goes about its own business at home. Criticised though this US approach may be in classical free trade and academic circles, it is pursued by clear-headed, hard-nosed negotiators, with a taste for brinkmanship. Most have minimal prior experience of Japan but all are flushed with the successes of the Nafta and Uruguay Round agreements and enjoy the full confidence of the president, a majority in Congress and the support of a preponderance of business and labour leaders.

The pre-summit perspectives from Tokyo and Washington reflect these changed circumstances. The Japanese message is that foreign pressure still helps get things done in Tokyo, but much less than it used to. The US reading is that nothing less than measurable results will count.

This is not to say that the summit will result in abject failure. Mr Hosokawa, no doubt relieved to get away from his domestic political tangle for a few days, will obligingly promise Mr Clinton much of what he wants on deregulation, tax cuts, government spending and reductions in barriers to imports. This alone could furnish a sufficiently acceptable veneer for the president and prime minister to sell to their domestic markets.

Mr Clinton might even be pleasantly surprised that Mr Hosokawa has had to defer plans for a rise in sales tax, criticised by the US as an unnecessary damper on Japanese consumer spending. But that is thanks to resignation threats from the Social Democratic party, the biggest and prickliest member of Mr Hosokawa's seven-party coalition, rather than Washington's menaces.

Beyond this point, however, Mr Clinton will find his Japanese visitor more obdurate than might be expected in one hanging on to power by his finger nails. In fact, the Japanese coalition's disarray obliges Mr Hosokawa to take a rigid line against US pressure for numerically measured decreases in Japan's record trade surplus and increases in the market share of imported goods.



Opposition to numerical targets is one of the very few things that – almost – unites an otherwise fragmented Japanese establishment. All members of Mr Hosokawa's diverse coalition, stretching from the far left to the religious right, want him to say no to targets. The opposition Liberal Democratic party agrees – and Mr Hosokawa now depends increasingly on its co-operation.

But the strongest opponent of targets is the finance ministry, whose power has been greatly increased by the destruction of the LDP's authority and its replacement by the weak and fragmented coalition. On this issue the finance ministry has an unlikely ally in its one-time rival, the Ministry of International Trade and Industry, weakened by internal arguments and unable to stand up to its bigger neighbour in Kasumigaseki, Japan's Whitehall.

The Japanese ruling coalition's disarray obliges Hosokawa to take a hard line against US pressure

On the surface, Japan's point against numerical targets is economic. A free market cannot be rigged, and Tokyo cannot abandon deregulation to suit the special interests of a trading partner, the well-rehearsed argument goes. Accepting targets would amount to admitting the so-called "revisionist" argument popular in the US, that Japan is so different from other industrialised countries that foreign pressure is the only way to bring change. Moreover, last July's economic accord between Mr Clinton and former prime minister Kiichi Miyazawa spoke only of a "highly significant" cut in the trade surplus and "quantitative" measures.

Yet under the surface, the argument denotes a change from an old generation that alternated between aggression and subservience to the US, to a new one able to take a consistent, independent line. Mr Hosokawa symbolises that change. At 55, he is a generation younger than most former LDP prime ministers. His straight-talking style goes down well with the Japanese public and with Mr Clinton – even if it upsets some coalition partners.

"Nakasone and Miyazawa were the only LDP prime ministers that could deal with Washington intelligently, without being stubbornly pro-US," says a former Japanese foreign ministry mandarin. "But even they were affected by the US Occupation. Hosokawa doesn't suffer from this," he adds.

"This is not the Japan that can say No," says a senior Miti negotiator, referring to a nationalistic book of the same title by Shintaro Ishihara, a maverick LDP member. "Now it is time for us to say No sometimes and then make counter-proposals."

In this case, the counter-proposal emerging in the Tokyo bureaucracy over the past few days is for a system to monitor imports, measured on past criteria, but with no commitments. The idea owes something to former vice-president Walter Mondale, the new US ambassador in Tokyo, whose moderate proposal for non-binding indicators has won respect in Kasumigaseki. Whether the final agreement looks like that is another matter. "We don't trust them with numbers and they don't trust us without numbers," says the Miti negotiator.

Japan's generation change is, however, gradual. US pressure has, in some ways, advanced not only Washington's but also Tokyo's interests in the past few chaotic weeks. It made possible the last-minute clinching of a Y15,250bn ($141bn) package of tax cuts and government spending. The US may since have dismissed the package as modest and too concerned with the short term, but the impending summit did focus the minds of Mr Hosokawa's fragile and bickering coalition.

US pressure has also helped Mr Hosokawa pursue his deregulation drive against entrenched interests in an increasingly powerful government bureaucracy and a small business community whose taste for protection has been sharpened by recession. Accordingly, officials see no real difficulties in agreeing on three of the four priority sectors in the talks to enact last year's US-Japan framework economic agreement: insurance, and government procurement in medical equipment and telecommunications. The government wants to deregulate these sectors, irrespective of the US. The fourth, cars and car components, is more difficult as government influence there is weaker than in the other three, argue officials.

The US approach is predicated on the view that Japan is out of step with the rest of the industrialised world

Accordingly, Mr Hosokawa will tell Mr Clinton talks on US car exports to Japan should be left to industry associations, not officials. Even here, the US can expect some kind of a deal, following the appointment of the diplomatic Mr Shoichiro Toyoda, the chairman of Toyota, as new boss of the Keidanren business federation. At 68, he belongs to the pro-Washington generation. He opposes US demands for numerically measured increases in market share, yet he does not want to harm relations with the US, if only for the sake of his company's joint venture with General Motors.

The US position, in contrast, appears both less subtle and more solid. Its equally well-rehearsed argument, in the words of Mickey Kantor, the trade representative, is that "Japan's markets are closed by any measure you may choose". No trade agreement in the last 20 years has reduced the Japanese trade surplus (it was $59bn with the US last year) or increased its propensity to import.

Roger Altman, deputy secretary of the treasury, says the US approach, with both a macro-economic and sectoral focus, is predicated on the fact that "Japan is out of step with the rest of the industrialised world". The charge of managed trade, he says, is "a canard – it is not managed trade to ask that Japan deregulate its insurance and pension fund management markets". The US is merely insisting on "the eligibility to compete", not demanding a predetermined share of any given market.

This suggests, again, some small wiggle room for compromise on the vexed issue of numerical targets in the four sectors under negotiation, especially the three where Japanese government procurement and regulation most impinge. In any case, Mr Kantor insists that the US has never asked for "one numerical target". But these sectors are merely the first wave of a process which the US sees stretching out indefinitely. "I reject the 'turn the other cheek' philosophy," Larry Summers, the Treasury undersecretary, told the Washington Post this week. "If we do that, we will never have any political constituency in favour of keeping our own markets open."

This constituency – the US Congress – has been, by its standards, relatively quiet towards Japan of late. This is partly because of other preoccupations. But Mr Richard Gephardt, the House majority leader, warned the other day that, even though he thought the legislature should not take narrowly targeted action against specific countries, it was within its prerogatives to pass additional "process" bills. These would permit the US to take retaliatory action against countries deemed to have unfair commercial practices. Mr Kantor, for one, has shown no reluctance to threaten to invoke such laws.

On balance, there is no intent to humiliate Mr Hosokawa in Washington, as Mr Miyazawa arguably was last April, just three months before he lost office. But the US side has been watching Japan's unfolding political dramas with acute interest, if tinged with suspicion. According to Mr Kantor and Mr Bowman Cutter, the presidential adviser, the prime minister represents the forces of progress, at least in contrast to Tokyo's bureaucratic mandarins, because of his clear commitment to deregulation. If his political condition is fragile, Mr Kantor goes on, "we're trying to strengthen it".

On non-economic and non-trade issues, which do still exist in the bilateral relationship after the cold war, President Clinton may do the same, including assuring Mr Hosokawa of the continuing US security involvement in the region. There are clear areas of co-operation and common interest with respect to North Korea's nuclear potential, while the two leaders have plenty to discuss about China, Cambodia and other global issues.

The president might even note, approvingly, one remarkable development in Japan's involvement in the wider non-commercial world. Two of its citizens – Mrs Sadako Ogata, UN high commissioner for refugees, and Mr Yasushi Akashi, the UN special envoy – are playing leading roles in Bosnia, a distant country in which Japan has no direct stake.

At the end of the day, Mr Clinton may even intone the magic words about Japan's importance to the US. But his meaning will be different because American expectations of Japan have changed. So have Japan's expectations of itself.

OBSERVER

Island package tour

■ Anyone fancy running a small country? The job of chief executive of the Falkland Islands government is up for grabs. It pays well – £50,000 a year – and there are the usual perks, unlimited fishing, rough shooting, free limo etc...

Ronald Sampson, the boss since April 1989, is leaving when his contract expires. He's returning to the family home at Stratford upon Avon, so far without any other job lined up. Faced with the messy task of untangling 20-odd companies involved in a fishing fiasco, which left the Falkland Islands with losses of some £25m, he's acquitted himself well. "We've been scandal-free for five years," he adds – no mean achievement given the islands' history.

Potential replacements will be required to strut their stuff in front of an interviewing board consisting of Sampson; Sukey Cameron, the islands government's London representative; Gordon Jewkes, a former governor; a bod from the Foreign Office; and Paul Stevenson, former Royal Marines' commander.

The job involves managing 200 civil servants (10 per cent of the population) and representing the islands in commercial and overseas contexts. It could be a particularly sensitive post given the flurry of excitement over the island's oil potential, although exploration is unlikely to start before 1995. Sounds like just the sort of challenge for Bob Horton, the deposed boss of British Petroleum, if he were not tied up back home trying to make sure that Britain's railway privatisation runs on time.

Elderly queue

■ The good news for the 1.2m depositors in Venezuela's second-largest bank, Banco Latino, which went bust last month, is that the Venezuelan government has promised that many small depositors will be able to get their money back straight away. The bad news, for some of the bigger customers, is that they might have to wait a while, if history is any guide. Venezuela's financial authorities announced only this week that 1,000 customers of Banco Tachira would finally get their money back. It was rescued by the government in 1958...

Surplus equipment

■ More foreign aid going amiss? Britain's United Nations outpost in Geneva has just given away two armoured cars. Admittedly, they are going to a good cause – Geneva's police force – and they wouldn't be much use in a battle since they are Jaguar XJ6 Sovereigns, vintage 1988 and 1989. Even so they are in excellent condition. Why not sell them for the benefit of taxpayers? Observer awaits an answer.

'Do you suppose he's taking steroids?'

Great punchline

■ Interflora, the flower people, were upset to find themselves sharing a hoarding in London's east end with an Association of London Authorities campaign spotlighting the tragedy of domestic violence. The latter's ad pictured a young couple and the message: "He gave her flowers, chocolates and multiple bruising." Unfortunately, Interflora's rose-bedecked ad read: "Delivered by hand straight to the heart..." The poster has been moved to a less sensitive site.

Ruffled feathers

■ The embattled wind power industry has decided that offence may be its best defence.

This month's issue of Windpower Monthly, the industry journal, has on the cover a grisly picture showing a man holding a dead bird by its battered feathers. In the background are several wind turbines.

The scene is Tarifa in southern Spain, where Europe's largest wind farm with 269 turbines has been accused of slicing up migratory birds. A long article inside contains the disturbing admission by Francisco Serrano, director of Spain's renewables energy agency IDAE, that there was "a very unfortunate lapse of memory" at the planning stage. "Nobody thought about migratory birds. Only the resident fauna was taken into consideration," he says.

The article also describes how the European Commission has warned Spain to review its wind-farm policy until a long-term bird study is completed. The edition has led to howls in some corners of the wind-power industry because it may only stoke further hostility towards wind farms. But Lyn Harrison, who edits it from Denmark, tells readers: "There is method in our madness." Better to air the problem in a wind energy magazine where it is more likely to get balanced treatment than in other media. "The situation should never have arisen, and the industry ought to be kicking itself."

One less puff

■ Intriguing to see how many puffing MPs line up to support Kevin Barron's bill to ban tobacco advertising after today's House of Commons debate. One smoker who almost certainly will is John Hume, leader of the mainly Catholic Social Democratic and Labour party, provided that someone can be found to hold his cigarette.

Dropping in

■ Too much to expect that Richard Branson, Virgin's publicity hungry hero, would behave like any normal businessman and send his bid to run the National Lottery through the post. Offers have to be in by Monday and the suspense is getting unbearable.

Will the entrepreneur drop in by balloon, perhaps? Apart from the fact that his wife is not keen on him ballooning, the streets off London's Haymarket where the Office of the National Lottery is found are a bit too narrow even for a daredevil like Branson. No, the word is that Branson will deliver his bid on Desert Orchid, the legendary racehorse known as The People's Choice....

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FINANCIAL TIMES
Friday February 11 1994

CAROLINA BUILDERS
AMERICA'S LEADING BUILDERS MERCHANT
WOLSELEY

Palestinian self-rule accord 'ready in a month', says Rabin

By Julian Ozanne in Cairo and Our Foreign Staff

The US, Israel and the Palestine Liberation Organisation yesterday welcomed the Cairo accords which secured a crucial security agreement on Palestinian self-rule, giving much needed momentum to the peace process after months of delay.

Mr Yitzhak Rabin, the Israeli prime minister, called the partial agreement "an important step forward", adding that he expected "another month will be needed to complete the details of the agreement... I hope a month will be enough. It could take a little more".

Mr Yassir Arafat, the PLO chairman, said the documents went a step beyond the peace agreement signed in Washington last September, although some gaps still needed to be filled in.

In Washington, President Bill Clinton called the Cairo understandings "another big milestone".

The set of principles and agreement included resolution of the two most sensitive security issues - control over the Egypt-Gaza and Jericho-Jordan border crossings and security arrangements for Jewish settlers in Gaza which would divide the strip into three zones.

Officials said this meant exclusive Palestinian control in the largest zone, exclusive Israeli control in another zone around the Jewish settlements and joint patrols, under Israeli control, in a third, smaller zone.

Mr Shimon Peres, the Israeli foreign minister, said there was an agreement in principle on the third major obstacle of the past three months - the size of the Jericho area - but that a final decision would be taken when Mr Arafat meets Mr Rabin.

After marathon talks and a last-minute crisis which threatened to derail the negotiations, Mr Peres and Mr Arafat initialled the documents shortly before midnight. The agreements, negotiated according to one Israeli official "paragraph by paragraph, line by line, word by word", broke a seemingly interminable deadlock over the implementation of Palestinian self-rule in the Gaza Strip and West Bank area of Jericho.

"All the problems that we had before us we solved either completely in details or in principles and some details were left over for later," Mr Peres said. Hinting at the difficulties over finalising border issues, he added: "It was not simple because what we called security the Palestinians called dignity."

Mr Arafat said the two sides still had some issues outstanding and he had agreed to work with Mr Peres to overcome the remaining problems. Further talks are expected to resume at delegation level next week in the Egyptian resort of Taba.

The breakthrough will unblock suspended talks on economic relations and the transfer of civilian administration to Palestinian hands. Once the remaining issues have been resolved, the stage will be set for Mr Rabin and Mr Arafat formally to sign a comprehensive protocol leading to an Israeli troop withdrawal from Gaza-Jericho, which was to have begun on December 13.

Although last night's documents must be approved by the Israeli cabinet and the PLO executive committee, this is expected to be a formality.

Security pact speeds Mideast peace process ....Page 4

Banks seek to quit Thai project

By Victor Mallet and William Barnes in Bangkok

A group of 23 international banks has told the Thai government they want to withdraw from a controversial $1bn elevated motorway project for Bangkok and have its loans and interest worth some $250m repaid in full.

The demand by the banks - which sent a stern letter to the Thai authorities 10 days ago, and met Mr Tarrin Nimmanahaeminda, the finance minister, this week - could hinder Thailand's efforts to secure foreign funding for other big transport, communications and power projects.

Bangkok Expressway, the construction consortium led by Kumagai Gumi of Japan and financed by Thai and foreign banks, is locked in a dispute with the state-owned Expressway and Rapid Transit Authority over revenue-sharing and other aspects of the toll road contract.

The transport authority forced open the 20km stretch of new road in September by obtaining an emergency court order and bypassing agreed dispute procedures, prompting foreign bankers to accuse the Thais of "nationalising" the scheme, one of the first significant build-operate-transfer projects in Thailand.

Kumagai Gumi has been negotiating for months to recoup its costs by selling its 65 per cent share in Bangkok Expressway to a Thai consortium led by construction company Charoen Karnchang, but the two sides have been unable to agree on a price. Ch. Karnchang said it has preliminary agreement to buy Kumagai Gumi's stake in Bangkok Expressway, although the expressway company's advisers said this was only an agreement to continue negotiating.

The foreign banks, including National Westminster, Crédit Lyonnais and several Japanese banks, said their loan facilities to Bangkok Expressway had been non-performing since March 1993. They put the blame squarely on the shoulders of the transport authority.

The banks' letter said: "In the circumstances the offshore banks' desire is for their facilities/loans to BECL plus full accrued interest plus all other fees and expenses to be repaid in full by the onshore Thai bank lenders, the Thai government, Ch. Karnchang, or another third party as soon as possible.

"The offshore banks wish to be totally removed from their involvement in the BEP [Bangkok Expressway Project]."

Eight Japanese banks - out of the original 31 foreign commercial bank lenders - did not sign the letter, possibly to protect their other interests in Thailand.

The transport authority, now profiting from the toll revenues provided by the new motorway above Bangkok's congested streets, replied with an eight-page letter attacking the expressway construction company.

Dry dams threaten Thai way of life ....Page 4

Russia calls UN meeting over Serbia

Continued from Page 1

The US, France and Britain maintain that the meeting will not adopt any statement or resolution because nearly all council members agree with the Nato decision. Russia lacks the support of nine council members required to adopt a resolution.

The French foreign and defence ministers will leave for Sarajevo to underscore Paris' determination to see Bosnian Serbs lift their siege of the Bosnian capital.

Greece, a member of Nato and current president of the European Union's Council of Ministers, also sharply criticised its Nato partners yesterday for their "totally wrong and guilty decision" to threaten air strikes.

Japan wants to heal trade rift with US

Continued from Page 1

pher, US secretary of state; Mr Anthony Lake, the national security adviser; and Mr Lloyd Bentsen, the treasury secretary. President Bill Clinton was scheduled to attend during one of the meetings.

A Japanese embassy official said talks this week had produced satisfactory progress on three main areas of contention - medical equipment, telecommunications, and insurance - but in no sector is there agreement on numerical criteria. "There is a difference of opinion on a matter of principle; there can be no compromise," he said.

An unnamed senior US official was quoted by Reuter last night as saying the odds were "pretty high" against a deal in time for today's summit, describing them as at least 70-30 against.

On Capitol Hill, where the administration is finding broad support for a tough stand, Senator Max Baucus suggested that compromise might be reached because the framework agreement on bilateral trade contained no enforcement provision if Japan failed to achieve the negotiated "benchmarks".

However, he also suggested that a resurrected version of the Super 301 law, which carried severe penalties but which has expired, would provide a mechanism to ensure that Japan kept to agreements. Such threats have in the past prevented Japanese negotiators from agreeing to "indicators".

GM back to profit after four years

Continued from Page 1

sales in the US fell slightly to 33.2 per cent last year as it dropped less profitable sales to car rental companies. However, its vehicle sales in North America were up 6.6 per cent from the year before. The rise more than offset a 7.9 per cent decline in sales overseas as the European car market weakened, and there was an increase of 1.3 per cent in the number of cars sold worldwide to 7.9m.

After-tax profits in Europe last year fell to $605m from $1.3bn the year before, holding down GM's overseas profits to $1.2bn, compared with $1.5bn the year before. GM's shares fell $1⅝ to $62⅝ on profit-taking.

THE LEX COLUMN

BP strikes cash

The recovery in BP's share price and profitability since the dark days of 1992 has been remarkable. Perhaps most impressive has been the reduction in costs and the repayment of 25 per cent of its $16.5bn debt mountain. The real touchstone of renewed stability is, however, for the company to generate sufficient cash from underlying operations to pay for capital expenditure, tax, and its dividend. BP achieved that state of grace in the second half of 1993.

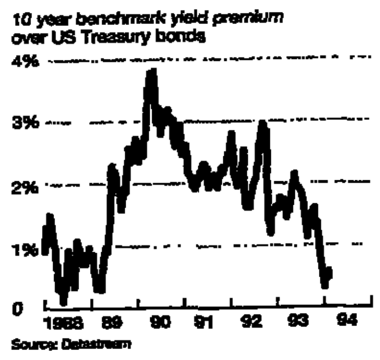
It must then be galling for the management to have had so little help from the market. If oil prices had remained around $16 a barrel, the company could have maintained a steady cash flow and set the seal on its improved fortunes with a dividend increase this summer. With oil now nearer $13, that is much harder. If crude prices remain weak, the company can keep pressure on costs and tweak the timing of its capital spending to keep underlying cash flow neutral. But with the emphasis on prudence, the management will not want to send the wrong signal by increasing the dividend until the crude price firms and stabilises.

While that may cause understandable disappointment, it is hardly a serious problem. A dividend increase can be afforded at a relatively low cash cost. Even then, there is a strong argument for redeploying most of the improved cash flow within the company. The choice is between increased capital spending and further debt reduction. Since it has plenty on its plate, it may well choose to pay off more borrowings in the short term. But it is a measure of its transformed prospects that BP can now make choices between the dividend, debt and capital spending, which threatened to crush it barely 18 months ago.

FT-SE Index: 3407.0 (-22.1)

UK gilts

10 year benchmark yield premium over US Treasury bonds



Source: Datastream

UK gilts

Gilts' poor response to Tuesday's base rate cut has put the Bank of England into a quandary. Normally it would be expected to announce an auction today. But with sterling weaker and the March future down almost two points over the past week, it cannot be certain how well the announcement would be received. Since it has virtually completed this year's funding programme, it could skip this month's auction. But this could be perceived as an admission that the market was too weak to absorb new paper. That would only drive prices lower.

A better approach might be to launch an auction of short-dated paper, which has proved less vulnerable than long gilts to swings in sentiment. With five-year yields of around 6 per cent and base rates at 5.25 per cent, there is limited downside risk and some chance of capital gain if the authorities do move to cut interest rates again. The short end of the market also attracts a broad range of buyers including banks and securities houses involved in the swaps market.

Yet the Bank also needs to find a way of resuming its borrowing at the long end of the market. It has avoided doing so for a long time for fear of being seen to pay high real rates for 20- to 30-year money when inflation is supposed to remain low. The weakness of long gilts in recent days might suggest it has missed the boat altogether, but there is still a chance that confidence will return once world markets have adjusted to the Fed's new policy stance. If so, present market weakness would present a buying opportunity the Bank could exploit with a long-dated auction in March or April.

BT

BT's third-quarter profits show that the cash generator continues to purr away. What is perhaps more interesting is the way in which the marketing battle is hotting up between BT, Mercury and the other new competitors. The RPI-7.5 per cent price cap which BT now endures means substantial price cuts. BT seems to have decided to turn necessity into virtue by making price cut a marketing weapon. This week's abolition of peak rate tariffs is aimed at business users. But the weekend low rates and 'family and friends' promotion is aimed at domestic users, implying that Mercury and the cable television companies are having some impact.

The fight will intensify as new services and products are launched, and next year BT must come up with further price initiatives. Cable television, which has plumbed in its own lines, has substantial flexibility over how it structures its marketing push. Mercury, by contrast, operates primarily through BT's own system and pays for this through a price structure which mirrors the retail tariffs. That makes it difficult to offer radically different options, such as free evening calls. Mercury is legally challenging that structure. If it succeeds, marketing expertise is going to change the nature of the retail telecoms battle.

Amstrad

Mr Alan Sugar refrained from saying "I told you so" in his comments accompanying Amstrad's interim results. But the trading picture is certainly every bit as dismal as he forecast when trying to take the company private in 1992. Amstrad may have chosen to axe a fair chunk of products, such as low margin computers and videos, which were not worth persevering with. Even so, sales have been shrinking at an alarming rate. Competitive pressures on the high street have remained intense while rival manufacturers have been eating into Amstrad's few remaining areas of strength, such as satellite dishes. Only interest income enabled Amstrad to remain in the black at the pre-tax level. But the first half of the year is traditionally the stronger. A full-year loss now seems a real possibility.

Following yesterday's 11 per cent slide, Amstrad's shares appear to be heading back inexorably towards Mr Sugar's offer price of 30p - although they should find some support from the company's £143m cash pile, which equates to about 24p a share. The visibility of Amstrad's earnings stream was never good at the best of times. Now, even the management cannot see from where it will come. Mr Sugar has wisely refrained from embarking on a panic-driven shopping spree. Shareholders must therefore pin their hopes on Dancall expanding aggressively in mobile telephones. That market is certainly attractive. Amstrad aims to launch a new product later this year. But it is a slender thread by which to hang so many doubts.

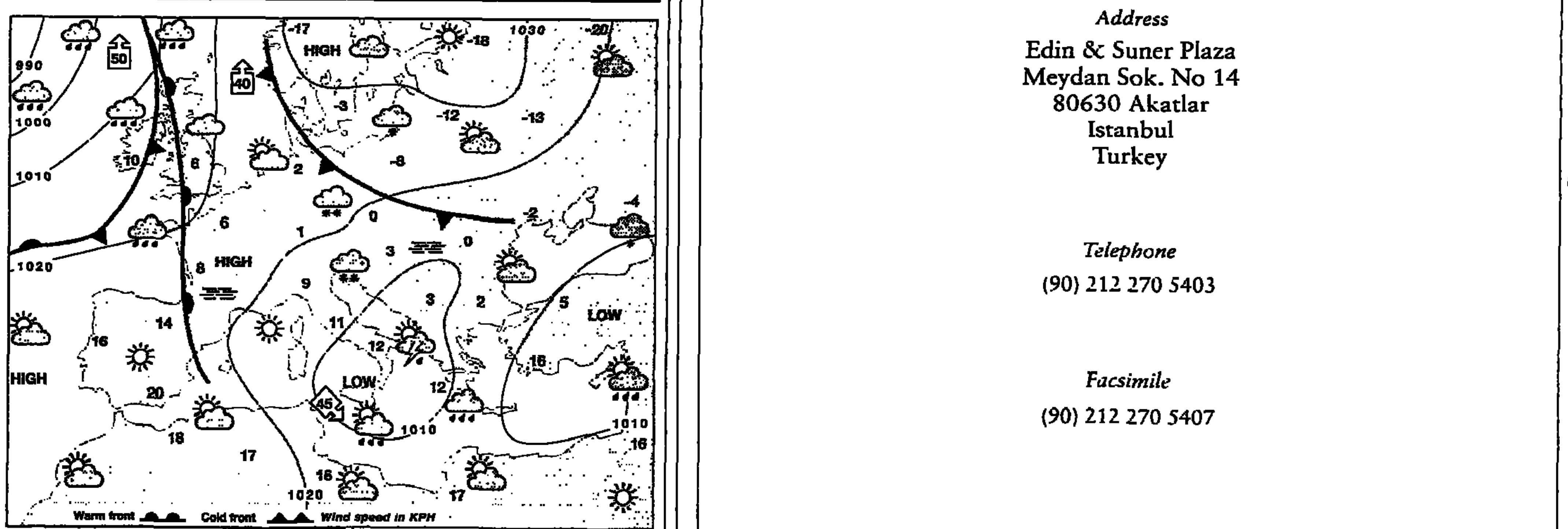
FT WEATHER GUIDE

Europe today

A low pressure area will result in showery and cool conditions over the eastern Mediterranean. Central Europe will be overcast with snow while the Benelux and eastern France will remain dry with sunny periods. Cloudy and rainy conditions are likely over western France and parts of the UK. It will be sunny over Spain and Portugal and cloudy over much of Italy. Northern and eastern Europe will remain bitterly cold. It will be clear in the far north, while over western Russia it will be cloudy with occasional snow flurries.

Five-day forecast

Very cold air will push westward during the weekend. Temperatures over central Europe will fall steeply. By next week, temperatures will range between -15C and -5C. It will be fairly sunny early next week, but later clouds will bring snow flurries. The UK will experience sub-zero readings with snow squalls, especially along the east coast. France and the Alpine regions will have wintry conditions, but southern France will remain relatively mild. The Mediterranean will continue unsettled in the east and showery in the west.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

		Maximum Celsius
Abu Dhabi	sun	24
Accra	fair	33
Algiers	fair	16
Amsterdam	fair	5
Athens	shower	10
B. Aires	fair	23
B.ham	rain	6
Bangkok	fair	34
Barcelona	fair	14
Beijing	fair	4
Belfast	fair	8
Belgrade	cloudy	3
Berlin	snow	2
Bermuda	fair	21
Bogota	cloudy	20
Bombay	sun	30
Brussels	fair	4
Budapest	cloudy	3
C.hagen	snow	1
Cairo	fair	17
Cape Town	fair	24
Caracas	cloudy	26
Cardiff	rain	8
Chicago	sun	1
Cologne	fair	4
D' Salaam	fair	31
Dakar	fair	29
Dallas	fair	13
Delhi	fair	20
Dubai	sun	23
Dublin	cloudy	10
Dubrovnik	shower	9
Edinburgh	cloudy	6
Faro	sun	18
Frankfurt	cloudy	4
Geneva	fair	3
Gibraltar	sun	18
Glasgow	fair	6
Hamburg	fair	3
Helsinki	fair	-13
Hong Kong	cloudy	25
Honolulu	shower	29
Istanbul	shower	6
Jersey	rain	7
Karachi	fair	28
Kuwait	sun	24
L. Angeles	sun	18
Las Palmas	fair	22
Lima	cloudy	26
Lisbon	sun	17
London	rain	6
Lux.bourg	fair	4
Lyon	shower	3
Madeira	fair	19
Madrid	fair	14
Majorca	fair	17
Malta	shower	12
Manchester	cloudy	7
Manila	fair	32
Melbourne	cloudy	22
Mexico City	fair	22
Miami	fair	30
Milan	fair	10
Montreal	fair	-8
Moscow	fair	-15
Munich	snow	0
Nairobi	fair	30
Naples	fair	10
Nassau	fair	23
New York	snow	-3
Nice	fair	14
Nicosia	shower	16
Oslo	fair	-5
Paris	rain	6
Perth	fair	35
Prague	snow	0
Rangoon	fair	33
Reykjavik	rain	4
Rio	shower	29
Riyadh	sun	26
Rome	fair	12
S. Frsco	sun	15
Seoul	fair	2
Singapore	fair	31
Stockholm	snow	-8
Strasbourg	fair	6
Sydney	cloudy	26
Tangier	sun	17
Tel Aviv	fair	17
Tokyo	fair	8
Toronto	fair	-8
Tunis	shower	14
Vancouver	shower	6
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JOBS: Time management has its uses but is unlikely to make you super-efficient in five easy steps

Warning: this weapon can backfire

Time management books are like diet books. Both hold out the hope of changing your life forever: one by making you thin and beautiful, the other by making you efficient and successful.

Both are surefire publishing successes. Thin-Think, Slim for Life, You Don't Have to DIET! and Lean Revolution are recent big sellers on the health shelves, while in the management section are titles such as Better Time Management, Perfect Time Management, The Complete Time Manager and Manage Your Time.

Yet there is no proof that people have either lost weight or become more productive as a result of their improving reading. Indeed, there is some evidence to suggest the reverse. People who constantly go on diets are likely to be fat. Similarly those who get fixated on getting the right events into their Filofaxes or electronic organisers may be letting the management of time get the better of them.

"You get to the point where too much time management can be a stress in itself," says Marge Malcolm, an ex-comprehensive school teacher and founder of LPC Consultancy. "People start living by the clock. And if someone jumps in front of their train in the morning they think, 'What a bloody nuisance, I'm going to be late.'"

Managers who charge round with their personal organisers all day, getting home shattered at 8pm for specially allocated "quality" time with their families are deluding themselves. "Talk of quality time is escapism", says Malcolm. "Its not quality time. It's just time."

The books are only the tip of the time management iceberg. Time management courses have become a staple of executive training, and in the last decade have proved a great money spinner for their providers. So much so that it is hard to find many managers who have never been sent one.

It is not difficult to understand why both the books and the courses are so popular. They play on your worst nightmares of being out of control, and then offer a simple formula that promises to make you master of your time. The slim volume, Perfect Time Management, begins with the warning that if you don't manage your time, you will be inefficient, ineffective, won't get promoted, will be despised by both subordinates and your boss, and will be first in line to be made redundant.

The answer, according an "energising one day seminar" entitled How to Manage Priorities and Meet Deadlines, lies in 24 "power pointers". These, it promises, will "boost your productivity Now!"

The power points consist of tools to combat procrastination, personalised action plans that take into account your "natural energy cycle", three easy steps to spot unrealistic goals, and four easy steps to stop other people from wasting your time.

If only it were that simple. The techniques of time management are all sensible enough. Keeping a clear desk, writing lists of priorities, never handling a piece of paper more than once, reducing the amount of time spent in meetings, discouraging people from disturbing you, doing telephoning and memo writing in batches – all these tips make sense. But not everyone can live like that.

'Time management should not be about desks and diaries, but about putting your head above the morass and saying what is this all about?'

My own experience of time management courses has been a sobering one. I have been taught how to keep my desk tidy, and how to organise myself. I know all about colour coding of files and priority setting. I know how to classify work as important, unimportant, urgent and non-urgent.

Yet my desk is deep with old newspapers and press releases. I have no consciousness of my priorities: I do whatever seems most pressing at the time, accepting that I will be interrupted throughout.

Apparently, I am not unusual. Malcolm has consulted 300 managers in the insurance industry who have attended courses and found that only 10 per cent have taken the lessons to heart. She argues that such tricks only help people who are that way inclined anyway. Managers who love making lists may pick up some further tips on how to make even better ones. But those who are by nature badly organised may attend the courses and buy the books but will only add to the piles of paper that already litter their desks.

Malcolm's own approach to time management is more flexible. Despite her dismissal of more formal techniques, she does believe that even the most shambolic persons can change their ways. She claims to have helped managers ranging from undisciplined underwriters to chaotic Oxford dons. She belives that the answer is to look at each person individually, and to start small.

The first step, she says, is to get each person to draw up two lists and compare them. One is of what they want to achieve, the other of what they actually do achieve. Getting people even this far is a challenge – many managers cannot account for how they spend their time, and need constant nannying to keep a log for even one day.

Most, she says, are horrified at how much time they waste, particularly in meetings and interruptions, and are horrified at how far their actual day departs from the desired one. They are then asked which bits they are willing to change, and what price they are willing to pay.

"The aim is to try to stop them feeling guilty about what they are not doing, and to make a few small decisions", she says. The idea is to start by changing something manageable, like leaving work on time. She advises managers to make appointments to meet people after work, to ensure they get out of the door at the appointed hour. She also tells them to give themselves a reward for compliance.

In many cases changing one small thing works wonders, making people feel in control, less guilty and less stressed. Once that is accomplished they may be ready to tackle another task.

Time Manager International, a Danish owned consultancy which since 1975 has trained over 2m managers worldwide to be more efficient, argues that the results from time management courses can be more dramatic than Malcolm's individual drip-drip approach to efficiency.

Chris Lane, chairman of TMI UK, argues that virtually everyone can benefit so long as the courses are handled right. He says there are two sorts of people: "people" people and "task" people, and what works for one type will not work for the other.

"Time Management should not be about desks and diaries, but about putting your head above the morass and saying what is this all about?", he argues.

Lane has a large white board in front of his desk, just in case he should forget what he himself is trying to do. On it his mission is written in large letters: he must do good consulting work, he must signal a clear vision to others in the company, and so on. "I look up and think: what have I done today to do those?", he says. Lane reckons this sort of technique works with everyone: only people who are in deep depressions or who are going through severe psychological crisis are beyond help.

I imagine a large notice above my desk saying "My mission is to write more articles of a consistently higher standard" and wonder what effect it would have. It would certainly keep my colleagues amused.

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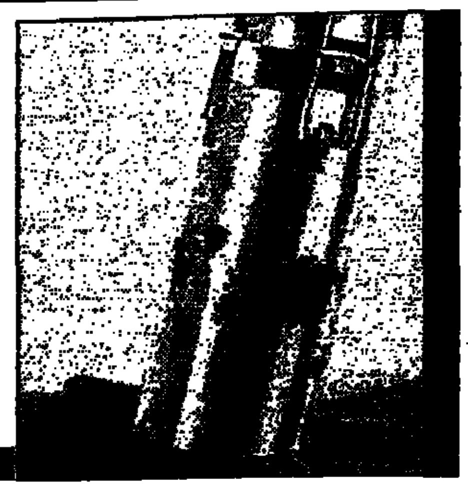

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Fixed Income Fund Management

BZW Asset Management manages assets in excess of £50 billion including £6 billion in fixed interest, using an innovative and disciplined approach to investment management.

Fund Management

Due to the continued success of the Fixed Income Team, BZW Asset Management is seeking to expand the department by appointing a young professional fund manager. We are looking for an individual who has a good understanding of the Bond and Currency markets but with particular reference to the US$ Bond market. The candidate should have at least 3 years' experience within the Fixed Income markets and a proven performance record in the management of institutional funds.

This challenging and demanding role represents a unique opportunity for someone in their mid to late 20s wishing to develop their career in Investment Management.

Marketing

The opportunity has also arisen for a senior individual to join the growing Fixed Income Team. We are seeking a high calibre candidate with first class marketing skills who may currently be employed within either a large investment management house or an actuarial consultancy.

The successful candidate will continue the marketing of BZW Asset Management's products, both within the UK and to offshore centres. He or she will be involved in client presentations and new product development. Applicants will be in their early 30s, well organised and have the confidence to liaise with clients and senior management.

This is a key appointment within one of the fastest growing areas of BZW Asset Management.

Candidates will be given considerable latitude in the development of their careers with particular emphasis on rapidly developing their responsibilities and profile within the BZW Asset Management federation. These positions offer a competitive salary, bonus and benefits.

For further information please contact Patrick Morrissey. Telephone: 071-236 2400. Fax: 071-236 0316 or apply in writing to Sheffield-Haworth Limited, Prince Rupert House, 64 Queen Street, London EC4R 1AD.

SHEFFIELD-HAWORTH
Consultants in Search and Selection

Head of Fixed Income Derivatives Analysis

Salary: to £100,000 — London

Our client, a leading Investment Bank, has an immediate requirement for a fixed income derivatives analyst. The position will involve the development of derivative valuation and risk management analysis covering a very broad range of fixed income products, with particular attention on structured option products. All analysis will be strongly transaction oriented and the candidate must therefore be able to respond quickly and positively to a variety of trading situations.

Ideally, the candidate will have a first class degree plus a postgraduate qualification in a strongly quantitative discipline (ie mathematics, physics, or statistics). Candidates should also possess previous experience in the analysis and risk management of exotic fixed income derivatives.

For a confidential discussion please contact Nigel Haworth or Tim Sheffield. Tel: 071-236 2400, Fax: 071-236 0316 or apply in writing to Sheffield-Haworth Ltd, Prince Rupert House, 64 Queen Street, London EC4R 1AD.

SHEFFIELD-HAWORTH
Consultants in Search and Selection

Risk Manager

Excellent Salary + Banking Benefits + Bonus

The fixed income division of a major international securities house is currently undergoing an expansion of the Risk Management team. The present team is comprised of 9 people and are seeking a further experienced Risk Manager to come in as No. 2. Within this unit there exists considerable scope to advance as the demands of the company grow.

It is likely you will have some trading/analysis experience in the fixed income and associated derivatives market and a strong technical background. You will be innovative and have the ability to deal with high calibre superiors, peers and subordinates. This challenging and demanding role presents a unique opportunity for an individual wishing to further develop their career in Risk Management.

For a confidential discussion please contact Nigel Haworth or Tim Sheffield. Tel: 071-236 2400, Fax: 071-236 0316 or apply in writing to Sheffield-Haworth Ltd, Prince Rupert House, 64 Queen Street, London EC4R 1AD.

SHEFFIELD-HAWORTH
Consultants in Search and Selection

Private Client and Institutional Stockbroking

SFA Compliance Officer

Our client is a leading regional firm with a significant London presence. Their business encompasses corporate finance; stockbroking for both institutional and private clients; and investment management. The business is expanding throughout the UK. They now wish to recruit a Compliance Officer who will probably be based at the head office and be responsible for compliance throughout the group and its subsidiaries.

Reporting to a Holding Company Director this challenging role will include working closely with senior management, maintaining close links with regulatory bodies, developing and documenting compliance procedures and ensuring that rules and regulations continue to be practically implemented throughout the firm. Prospects for progression to a Board appointment are excellent.

The position will be of particular interest to individuals of graduate calibre with a professional qualification. Candidates must have at least 3-5 years compliance experience, within a SFA regulated environment. A good working knowledge of SFA rules and regulations, in particular conduct of business, is essential. Other key areas include client money protection and capital adequacy.

Candidates must have the personal qualities of authority, diplomacy, tact and strength of character. The willingness to relocate if necessary would be helpful.

Interested applicants should contact Anna Williams on 071 831 2000 or write to her include a full curriculum vitae including details of their current salary package to Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH.

Michael Page City
International Recruitment Consultants
London Paris Amsterdam Dusseldorf Sydney

INVESTIGATORS/ SECURITIES ANALYSTS

CITY · c£30,000 + BENEFITS

At the heart of the UK's financial services industry, the London Stock Exchange has a vital role to play in the regulation of the securities industry and places great emphasis on maintaining a fair market and preventing abuses in its primary and secondary markets.

Within that regulatory framework, the Surveillance Department is responsible for monitoring the market and other information sources to deter, identify and investigate suspected cases of fraud, market manipulation, insider dealing and other serious malpractice. The Department works closely with other areas of the Exchange such as Listing and Market Supervision Departments and maintains close liaison with member firms, other regulators and enforcement agencies, both in the UK and, increasingly, internationally.

The Department needs to recruit a number of high calibre professionals to assist in the development of its work in intelligence management, market analysis and investigations. Candidates should be educated to degree standard or hold a relevant professional qualification. You will need to have a broad knowledge of the securities industry, preferably with experience in market making, dealing, fund management, compliance, law or accountancy.

Along with an innovative problem solving ability, you will possess analytical skills and the ability to assimilate information drawn from a variety of sources. You must be able to think on your feet, form clear judgements and direct appropriate action.

Knowledge of regulatory environments would be an advantage and computer literacy is essential. The posts require excellent presentation skills, an enthusiasm for the securities industry and an enquiring mind.

In return you will hold a key role where you can enhance your analytical skills and deepen your understanding of the securities markets. If you feel you can contribute in this high profile, dynamic environment, please write in the first instance, enclosing a CV to Jan Kirkpatrick, Digby Morgan Consulting, London House, 53-54 Haymarket, London SW1Y 4RP. Tel: 071 925 0177. Fax 071 930 4261.

DIGBY MORGAN CONSULTING
Executive Search · Selection · Human Resources

London STOCK EXCHANGE

FUND RESEARCH LTD

SALES EXECUTIVE

Fund Research is the leading independent qualitative research company covering investment funds.

Following rapid growth we are seeking a new senior Sales Executive. This represents a challenging and exciting opportunity to work for a small, expanding independent company. The successful candidate should have experience in the investment fund industry, be highly motivated and well organised; have good presentation/inter personal skills; and be a positive communicator.

An attractive salary and benefits package is offered for this key executive position. Please apply in confidence with Curriculum Vitae to: Anne White, Fund Research Limited, 1 Frederick's Place, London EC2R 8HX.

International Money Broking

Yen Products / City

Our client, one of the world's leading money broking companies, wishes to recruit a broker to specialise in Yen Money Market products in its London office.

Candidates, educated to degree level, should be fluent in both English and Japanese and able to demonstrate a thorough understanding of Japanese customs and culture. Experience of financial markets would be an advantage, but is not essential as training will be given.

Applications, including full details of career to date, should be sent to Media System, Garden House, Cloisters Business Centre, 8 Battersea Park Road, London SW8 4BG, quoting ref 2023/FT on the envelope. Your application will be forwarded directly to our client, unless marked "security check" and noting separately any companies to which it should not be sent.

MEDIA SYSTEM

A LEADING JAPANESE BANK

wishes to recruit a management level person for the MTN Desk of their Bond Department.

- Graduate, fluent Japanese (written, spoken and reading).
- 2-3 years experience of negotiating and structuring MTN deals and in illiquid bond trading.
- Client Development skills.
- Experience of servicing Japanese client relationships, ideally in Europe.

Applicants should send a current CV including salary details to:

Box B2264, Financial Times, One Southwark Bridge, London SE1 9HL.

QUANTITATIVE PRODUCT STRUCTURING

Two roles, one focusing towards the UK with a major player and the second to design indexed products for European investors. A mathematical background and previous expertise is essential. £NEG

QUANT. ANALYST/FUNDAMENTAL RESEARCH

Split role focused towards the UK market covering some 65% quant. research on BARRA and 35% fundamental research. Candidates should feel comfortable presenting ideas to senior management. £30-£35,000

SENIOR REPOs TRADER

American bank seek the above with 3 years+ experience trading both matched and unmatched books (NON $ Currencies) to manage and develop an active desk. Also require a junior trader with some experience of trading a matched book. £HIGH

BOND SALES

Several major houses seek experienced bond/asset swaps salespeople to cover institutional investors in Europe (UK, Germany, Switzerland, Benelux, France). Salaries A.A.E. £NEG

STRUCTURED PRODUCT ENGINEER/SALES

To devise and sell tailor made structures/P.Ps to European investors and ultimately build a team. Applicants must demonstrate, proven experience, strong option pricing skills and ideally speak more than one European language. £ NEG

EQUITY DERIVATIVES TRADER

Major securities house seek the above to proprietary trade OTC derivatives and structures created by their financial engineers. Generous remuneration package A.A.E. £50-£100,000

OLD BROAD STREET BUREAU — Search & Selection Consultants
65 London Wall, London EC2M 5TU
Tel: 071-588 3991 Fax: 071-588 9012

Clive Agency Bond Broking Limited

Bond Sales

Clive Agency Bond Broking Limited is the highly successful broking arm of Clive Discount Company Limited, a UK subsidiary of The Prudential Insurance Company of America. Since formation in 1992, the company has developed a significant market presence and is widely recognised as one of the leading brokers in UK gilt-edged securities.

Owing to the continuing expansion of our institutional bond business, we are now seeking to recruit additional high calibre sales persons to extend and develop our customer base in European markets.

Applicants should preferably have 2-3 years experience selling to European institutions, a proven track record and the ability to introduce an existing client base. An element of travel will also be necessary, and therefore knowledge of another European language would be advantageous.

Please apply in confidence enclosing a CV to:

Malcolm Wood
Managing Director
Clive Agency Bond Broking Limited
9 Devonshire Square, London EC2M 4HP

Major International Bank

Export Finance

City — **£ Negotiable + Bonus + Bens**

A major international bank seeks an experienced individual to complement its existing medium-term European export finance activity. The Bank has an excellent track record in Asia and is looking to increase its activity there and in other growth areas for UK exporters. An excellent opportunity to join a dynamic organisation.

The Role

- Source export finance opportunities in the UK, Europe and target buyer markets.
- Develop the Bank's range of export finance products.
- Assist in the co-ordination and delivery of the Bank's export finance and related products.

The Candidate

- In-depth knowledge of ECGD and preferably other European ECA programmes.
- An established track record and excellent contacts in UK industry.
- Knowledge and experience of overseas markets, preferably including Asia and/or Latin America. Languages would be an advantage.

Interested applicants should write to Paul Wilson, enclosing a detailed CV and covering letter quoting ref 179099, at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH. Fax 071 405 9649.

MP
Michael Page City
International Recruitment Consultants
London Paris Amsterdam Dusseldorf Sydney

Coopers &Lybrand

DePfa-Bank Europe plc

Credit Analyst

Dublin International Financial Services Centre

Our client is a wholly owned subsidiary of DePfa-Bank AG which is Germany's largest wholesale mortgage bank with group assets of over DM100bn. As a stand-alone niche player, its main businesses are public sector lending and all property related services including mortgage lending. In terms of total assets, DePfa-Bank is Germany's thirteenth largest bank and funds itself almost exclusively in the money and capital markets through other banks and brokers.

In October 1993, DePfa-Bank Europe plc was established in the Dublin IFSC to expand European public sector loan business and to increase its involvement in the international money and capital markets. This development is in line with DePfa-Bank's strategy of growing geographically within the EU and its environs. This appointment is now being made to the core team in Dublin at a time of significant activity for the Bank.

This is a key position which will support the asset generation activities of the Bank in which, after an initial period, the incumbent will be a member of the Credit Committee. Responsibilities will include the research, presentation and ongoing monitoring of risk analysis data on substantial public sector entities within the EU. In addition, it will involve the analysis and monitoring of existing and potential positions on institutional lenders to the Bank.

Candidates will have gained relevant experience in a similar position with a significant lending institution where exposure to evaluating EU risks will be a distinct advantage. Ability to conduct business in at least one other European language, preferably French or Spanish, is a requirement. The successful candidate will have a relevant third level or professional qualification, be computer literate and possess high inter-personal, analytical and creative skills, including superior presentation capabilities.

This is an outstanding opportunity for a qualified banking professional to join a prestigious and expansionary European lending institution, committed to generating substantial assets in Dublin. The compensation package on offer will reflect the importance of attracting a high calibre candidate who can make a significant contribution in a compact and highly-focussed team.

Please send a comprehensive Curriculum Vitae, in complete confidence, to Eugene O'Neill at Coopers & Lybrand, Fitzwilton House, Wilton Place, Dublin 2.

Solutions for Business

An AMCO Member

UK Equity Managers

Pension Funds Management

Central London — **Competitive salary + car**

We wish to recruit two managers to join a small team responsible for the active management of a £4.5 billion UK equity portfolio.

The UK team has a research driven, disciplined approach with fund managers expected to contribute to wider sector strategy as well as being responsible for stock selection in specific sectors. For one of the positions, we will be recruiting a fund manager with knowledge of quantitative techniques for stock selection and portfolio construction.

Ideally candidates should have a degree and at least two years' experience of UK equity analysis and/or portfolio management. The IIMR qualification would be an advantage although student membership would be acceptable for the junior role.

Candidates should be ambitious and highly motivated. Good communication skills are essential for meeting company managements and maintaining good relationships with major stockbrokers.

A competitive salary is offered, plus car and other benefits including profit sharing and sharesave schemes.

Please send your cv to Jane Langley, Personnel Department, British Gas plc, 326 High Holborn, London WC1V 7PT.

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A parent company of major international standing .... a well defined plan for structured growth .... and a corporate commitment to only the highest levels of customer service - without doubt a recipe for long-term success.

As the plans unfold and business levels increase our client seeks to recruit a high calibre professional to provide both managerial and technical leadership to the team that manages the investment of funding on behalf of a growing number of high net worth individuals and trust clients.

In order to effectively support the Head of Fund Management in the determination and execution of Investment Management policy you will need to be a graduate of a related business/commercial discipline. You should be ACIB or MSI qualified. AIIMR would also be useful. Two to three years of your career will have been spent managing professionals within a multi team environment and it is expected that you will have experienced a number of high level compliance issues.

This is an extremely attractive career opportunity, which will allow you to make your mark in both the technical and managerial arenas. In return for your talents a very competitive salary and benefits package is offered. Relocation assistance to a very attractive part of the country is available in the appropriate circumstances.

If you believe this is the right move for you, please write with full CV and current salary details to:

Ramsey Hall Associates, 9 Carlton Crescent, Southampton, Hants S01 2EX. Please quote reference No. S01138.

All applications will be acknowledged and handled in the strictest confidence.

RAMSEY HALL ASSOCIATES

Experienced Analyst

UK Equities — *Scotland*

Our client is a major financial institution with enviable resources which ensure continued growth through a well established distribution network.

In order to maintain superior investment performance while entering a growth phase, our client is now seeking an additional experienced Analyst. This is a significant opportunity for personal development since, as an integral member of the team, you will not only be the decision maker for a material portion of the major UK portfolios but you will also have the opportunity to become actively involved in a series of special investment related projects.

We seek a decisive, performance orientated candidate who can exhibit a good investment record, a high level of commitment and a fundamental approach. You will have at least 5 years' experience within equity research.

This is an important appointment within a highly progressive group and carries a comprehensive remuneration package including performance related bonus.

Those interested should send their curriculum vitae (including current package details) to Richard A Fletcher, Managing Director, Fletcher Jones Ltd., 9 South Charlotte Street, Edinburgh EH2 4AS, Tel: (031) 226 5709, Fax: (031) 220 1940.

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Executive Recruitment

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The Financial Times, universally renowned for its accuracy, objectivity and professionalism, is firmly established as one of the world's leading business newspapers, with an international brand image. An essential element of the drive to attract new readers is an imaginative and coordinated programme which encompasses direct mail, advertising and promotional activities. Following an internal promotion, there is an opportunity for a Promotions Manager to help build sales through the development and implementation of the newspaper's marketing and promotional activities in the UK. The successful candidate will manage a small, dedicated team and, reporting to the Direct Marketing & Advertising Manager, will be responsible for the day-to-day control of all promotional work and for liaising with external agencies. Candidates should have at least three years' client or agency marketing experience, ideally with particular knowledge of direct mail. A good first degree is essential and a marketing qualification would be a positive advantage. Beyond that, the Financial Times will be looking for outstanding communication skills, an eye for detail, and the drive and tenacity to ensure that all projects are delivered to exacting time, cost and quality parameters. Please send full career details, quoting reference WE 4020 on both letter and envelope, to Judy Brasier, Ward Executive Limited, 4-6 George Street, Richmond-upon-Thames, Surrey TW9 1JY.

WARD EXECUTIVE
LIMITED
Executive Search & Selection

BRINDENBERG SECURITIES A/S

Established Securities Company in Copenhagen, Denmark wishes to recruit the following professionals:

Sales & Marketing Manager
The incumbent should have strong leadership/managerial skills, a sound knowledge of US/European equity market, sales and Portfolio management. Experience to train and manage a small team.

Experienced Sales Persons
The position requires dynamic persons who are skilled, articulate, and possess excellent phone/telemarketing skills. Prior knowledge of the US/European stock market is an asset.

Financial Writer (freelance)
The incumbent must have a sound academic background, several years of writing experience in the US equity sector. A strong analytical and research ability in the financial area.

(Fluency in English, EC nationals or EC working papers only.)

Please send or fax full career and salary details to:

Brindenberg Securities A/S, H.C. Andersens Boulevard, 13, *1553 Copenhagen, V, Denmark. Fax: 45-33 93 85 87*

RESEARCH AND COMMUNICATIONS COORDINATOR

Reporting directly to the Managing Director of a leading specialist stockbroking house, you will be responsible for managing the Action Plan designed to improve further our position within the UK marketplace.

On the product side, this will involve checking that each piece of research achieves certain quality standards and coordinating the production of 'sector' and 'economic' reviews.

On the market side, the role will involve assessing our current position in the market, and identifying priority areas for improvement.

Candidates should:

- have a number of years experience in the financial community
- be flexible and be willing to work long hours
- enjoy the challenge of making research reports more user-friendly
- be calm and diligent, even when under pressure

This is a senior position and will be rewarded accordingly. Interested parties should write enclosing a CV to Box NoB2255, Financial Times, One Southwark Bridge, London SE1 9HL.

FT/LES ECHOS

The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world. For information on rates and further details please telephone:

Clare Peasnell on 071 873 4027

ECONOMIST/ MARKET STRATEGIST

Citibank Global Asset Management

LONDON BASED, WORLDWIDE INVOLVEMENT

Citibank manages substantial and rapidly expanding international portfolios of bonds and stocks on behalf of Governments, Institutions and high net worth individuals, from offices located worldwide.

Using both judgemental and quantitative techniques, our small, well established Strategy and Currency team based in London concentrates on increasing the performance of funds and contributes to marketing.

Expansion has created an opportunity in this intellectually stimulating environment for an Economist with a good degree and, ideally, between one and five years in broking or fund management.

The successful applicant will gain valuable experience in a wide range of asset classes in both OECD and emerging markets, and prospects for further career advancement are excellent throughout Citibank.

We offer a highly attractive basic salary plus performance-related bonus and financial sector benefits.

Please write, enclosing career and salary details, to Vivien Leach, Vice President, Human Resources, Citibank N.A., 336 Strand, London WC2R 1HB.

CITIBANK

We are an equal opportunities employer

INTERNATIONAL TRADING EXECUTIVES

(EUROPE OR LOS ANGELES LOCATION)

President - On Trading Division

Corporate headquarters of International company is seeking President for its oil trading division. Must have 10 years of international trading background specializing in petroleum products and crude oil. Will be responsible to market oil from Russia/Kuwait and Saudi Arabia in international marketplace.

President - Trading Division

Also need a person who has international trading experience in wool, cotton, metals and food.

Excellent salary, benefits, and bonus plan is offered. Please FAX resume (714) 433-7824 or mail resume to Mr. David Rice, VP

American Development International
6 Hutton Centre Drive, Suite #845
Santa Ana, CA 92707

Financial Institutions Relationship Manager

Bank of America, one of the world's largest and most successful international banks, is recruiting a Relationship Manager for the Insurance or Fund Management Sector which has been targeted for significant expansion.

The successful candidate, who will report to the Head of Financial Institutions Relationship Management for the Europe, Middle East and Africa Division, will be responsible for utilising industry knowledge and contacts to develop and expand existing relationships in the sector, in conjunction with other Relationship Managers and Credit Managers.

Applicants must have at least 5 years experience in developing and managing relationships in the Non-Bank Financial Institutions sector with particular emphasis on Insurance Companies or Fund Managers. Proven skills in originating innovative and creative opportunities for the Bank's Product specialists, particularly in Capital Markets, Payments and Corporate Finance areas are essential, as well as a strong awareness of the credit issues involved. Good communication and interpersonal skills are required, together with a strong dedication to "closing the deal" on behalf of the Bank and the customer.

An attractive salary with bonus potential will be augmented by a range of fringe benefits in line with best banking practice.

Write in strictest confidence with full personal career and salary details to Beverley M Fleet, Personnel Officer, Bank of America NT & SA, 1 Alie Street, London E1 8DE.

Bank of America is an equal opportunities employer.

Bank of America

FUND MANAGEMENT DEALER

The opportunity to trade a wide variety of currencies and securities within a leading city institution, with a defined career path to a fund manager role.

In this appointment, you will be joining a specialist team within one of the larger investment management houses in London. The team manages funds mainly on behalf of international clients, and invests in foreign exchange, fixed income and derivatives.

Your primary responsibilities will be for executing deals, many of which are signalled by the team's proprietary trading models. You will be expected to make investment recommendations according to your own analysis of market opportunities, particularly in foreign exchange and fixed income instruments.

To be a candidate, you should have at least two years experience in investment management. You must have transacted foreign exchange trades and ideally you will also have dealt in fixed income. You should be numerate and of graduate calibre. You need also to be computer literate, with a good working knowledge of spreadsheets. We offer a fully competitive salary and benefits package, but perhaps above all, the opportunity to make the next step forward in your career.

To apply please write to: **John Sears, John Sears and Associates, 2 Queen Anne's Gate Buildings, Dartmouth Street, London SW1H 9BP. Fax: 071-222 3445 or telephone on 071-222 7733.**

John Sears and Associates

Executive Search & Selection in Investment Management

A MEMBER OF THE SMCL GROUP

SIB

SFA Supervision

The SFA Supervision Department within the Securities and Investments Board (SIB) is responsible for the supervision of The Securities and Futures Authority. A senior appointment is sought to assist the Head of Department in fulfilling this brief.

The role encompasses a broad range of responsibilities including: monitoring compliance by SFA, reporting on specific aspects of SFA's fulfilment of recognition criteria and regulatory standards, recommending monitoring projects, handling complaints made to SIB about SFA, assisting in the development of regulatory techniques and procedures required for the supervision of SFA, identifying issues with regulatory implications, and assisting other SIB departments on matters relating to SFA. Regular liaison with SFA and staff of other regulatory authorities is an essential element of the role.

Applicants should have worked within the financial services environment and have a good understanding of regulation and specifically the business undertaken by SFA members. The successful candidate will be expected to develop contacts within the industry as well as acquire a detailed knowledge of the SFA's structure and approach to regulation.

Reports written by the individual may be presented at Board level and form the basis of published reports on SFA's performance. Candidates are likely to be degree holders. Excellent communication skills including interviewing, listening, and report writing are essential; as are diplomacy, discretion, pragmatism, initiative, and tact.

Interested applicants should, in the first instance, contact Anna Williams on 071-831 2000 for an information pack, or write to her at **Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH. Closing date 24th February 1994.**

Michael Page City

International Recruitment Consultants

London Paris Amsterdam Dusseldorf Sydney

APPOINTMENTS ADVERTISING

appears in the UK edition every Wednesday & Thursday and in the International edition every Friday. For further information please call: Gareth Jones on 071 873 [illegible] Andrew Skarzynski on 071 873 3607

TRADER

SOUTH EAST ASIAN CONVERTIBLES

LONDON

Salomon Brothers, one of the world's leading financial institutions, is rapidly expanding its business in South East Asia and now wishes to recruit an additional Trader to join its London-based Pacific Rim Trading Team.

Candidates must have a proven track record with at least 2 years' trading experience in a major international institution. They must be numerate and highly motivated and have a good understanding of convertibles or knowledge of South East Asian equities.

This is a demanding role in a high growth area and the successful applicant's contribution to the group's success will be recognised and well rewarded.

Interested applicants should write, enclosing a complete CV and covering letter to. **Isabel Doverty, Salomon Brothers International Limited, Victoria Plaza, 111 Buckingham Palace Road, London SW1W 0SB.**

Salomon Brothers

CORESTATES PHILADELPHIA NATIONAL BANK

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We have an opportunity for a candidate who is interested in a rewarding career within our internationally orientated organisation. Hired by our London Office, you would be sent to Head Office in the US for a formal 12 month commercial lending program, most likely returning to London to manage client relationships and market the bank's credit and non-credit products to our European customer base. The opportunity to take a position elsewhere in the organisation either immediately after the training period or at some other point in your career may present itself, but is dependent upon the organisation's needs at that time.

Applicants must have an excellent university level academic background with proven quantitative/analytical ability, as evidenced by good performance in at least one accounting course. Strong interpersonal skills and the desire to sell banking services are essential, as are excellent oral and written communication skills. Less than two years prior work experience is preferred.

To apply, please send full CV including a contact telephone number before March 31st, 1994 to Mr C J Stormer, Personnel Manager, CoreStates Philadelphia National Bank, 3 Gracechurch Street, London EC3V 0AD

LAZARD, BÜRKLIN, KUNA & CO.

Sie suchen eine herausfordernde und perspektivenreiche Tätigkeit im Bereich des internationalen Mergers & Acquisitions als

Junior Manager(-in)

oder

Analyst(-in)

Ihr Arbeitgeber: Lazard, Bürklin, Kuna & Co. zählt zu den erfolgreichen Beratern in dem noch jungen und expandierenden deutschen M & A Markt. Wir haben uns auf die anspruchsvolle Beratung von Unternehmen, Institutionen und Privatpersonen bei Unternehmenstransaktionen spezialisiert. Unser Unternehmen gehört zu der internationalen Investmentbanken-Gruppe Lazard Frères & Co. in New York, Lazard Frères & Cie in Paris und Lazard Brothers & Co., Limited London.

Ihre Aufgabe: Sie unterstützen die Partner bei der Vorbereitung und Durchführung komplizierter Transaktionen einschließlich der Identifikation und Analyse von Unternehmen und Branchen und der Entwicklung von zukunftsweisenden Unternehmensstrategien.

Ihre Erfahrung: Sie sind eine hoch motivierte, analytisch denkende Persönlichkeit und stellen an Ihre Leistung sowie an Ihre persönliche und berufliche Entwicklung höchste professionelle Ansprüche. Der Erfolg des Teams, in dem Sie arbeiten, ist Ihnen ebenso wichtig wie Ihr persönlicher Erfolg. Sie verfügen über einen herausragenden Hochschulabschluß im wirtschaftswissenschaftlichen oder naturwissenschaftlich-technischen Bereich und haben ergänzend einen Abschluß einer der führenden internationalen Business Schools, eine vergleichbare Zusatzausbildung bzw. verfügen bereits über eine qualifizierte Berufserfahrung. Sie beherrschen die englische und die deutsche Sprache perfekt und haben gute Kenntnisse zumindest in einer weiteren Fremdsprache.

Wenn Sie sich angesprochen fühlen, richten Sie Ihre Bewerbung bitte an:

LAZARD, BÜRKLIN, KUNA & CO.
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Siesmayerstr. 12 · 60323 Frankfurt
Tel: 069/728526

BIG-TICKET LEASING / STRUCTURED FINANCE

(Investment / Merchant Bankers / Packagers - Marketing Orientated)

Aged 25-38 years, able to source/structure and provide innovative solutions, in an off-balance sheet advisory capacity, covering high value, highly structured financings:-

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Fluency in French/German, intimate knowledge of European tax deals plus Pickle/Dole, FSCs, ZEROs, JLLs, etc. (non-aircraft specialisation preferred), Investment/Merchant Bank.

NEG. £70-£100,000 + BENEFITS

TAXED BASED FINANCE (Senior Manager Level)

Two prime UK merchant banks seeks applications from graduate/ACA's specialising in UK/Int'l tax, plus several years advisory fee income generation experience, covering asset/structured finance, capital market products derivatives etc. gained from within banking.

NEG. £50-£80,000 + BENEFITS

HEAD OF UK ADVISORY

Aged 30-38 years you will have played a senior role in sourcing pricing and closing structured high-value UK tax based leasing transactions, covering utilities, energy, satellites, public sector etc. in an advisory off-balance sheet capacity. Two vacancies exist.

NEG £60-£80,000 + BENEFITS

UK INTERNATIONAL MARKETING MANAGER

Similar to above mentioned, bank or head office trained, aged 26-30 years and fully conversant with credit/risk/evaluations/pricing documentation etc, plus 2-5 years top level UK or Int'l corporate negotiating experience.

NEG £35-£45,000 + BENEFITS

Contact or send detailed CV's to BRIAN GOOCH

OLD BROAD STREET BUREAU — 65 London Wall, London EC2M 5TU
Search & Selection Consultants — Tel: 071-588 3991 Fax: 071-588 9012

Senior Investment Analyst

Japanese Equities

Our client, one of the UK's leading investment management organisations, has a requirement for a senior investment analyst to assist in the research and selection of stocks for its substantial Japanese equity portfolios.

The company, which is City based, invites applications from candidates with at least one year's analytical experience in either the Japanese or other Far East markets. They must possess well developed analytical and communication skills as well as a team minded approach.

The company offers a competitive salary and benefits package and excellent future career development opportunities. To apply, please write in confidence to:

IMR Recruitment Consultants, No. 1 Northumberland Avenue, Trafalgar Square, London WC2N 5BW. (tel: 071 872 5447)

IMR

INVESTMENT MANAGEMENT RESOURCES

Lazard Investors

Assistant Investment Strategist

Lazard Investors, the Fund Management division of Lazard Brothers & Co., Limited, currently manages assets in excess of £5 billion on behalf of a wide range of international and domestic clients.

Having significantly increased assets under our management over the past twelve months, we are now actively seeking an individual of the highest calibre to join our small investment strategy team.

As Assistant Investment Strategist you will be a key player in the asset allocation process at both a geographic and sector level. In addition, your role will encompass implementation of strategy across all Lazard portfolios.

You will be an economics graduate, likely to be in your late 20's with at least 3 years experience of international fund management. Your economic and statistical skills will be first class and your computer literacy developed to the highest standard. You will be an excellent communicator with the ability to formulate and articulate clear views on the markets.

If you are interested in joining us and meet our criteria, please send your curriculum vitae, including present remuneration details and contact telephone numbers, for receipt by Wednesday 23 February to:

Sarah Barber
Personnel Department
Lazard Brothers & Co., Limited
21 Moorfields, London EC2P 2HT

Relationship Manager
Corporate Banking
Major European Bank

Edinburgh — **c £35,000 + Banking Benefits**

This highly regarded European bank, one of the top twenty in the world, has an international network in 58 countries worldwide. Their excellent credit rating and reputation give them a competitive advantage in building relationships with clients, to whom they offer a full range of corporate banking and treasury services.

As a result of successfully expanding their portfolio of clients, they are seeking an additional Relationship Manager to join their Edinburgh operation.

Reporting directly to the General Manager, the role will be to manage and develop business with their major clients within Scotland. This will involve marketing a wide range of sophisticated banking products to large corporates, financial institutions and fund managers.

Candidates for this challenging, high profile role are likely to be graduates, holders of the ACIB, and in their late 20's to early 30's. In addition to possessing excellent technical and commercial skills, relevant experience of top level corporate banking is essential. A strong personal presence together with the enthusiasm and drive to progress within this dynamic organisation are prerequisites.

This is an exciting opportunity to join a major European financial institution aiming to set new standards in banking.

Please send a full CV in confidence to GKRS at the address below, quoting reference number 103B on both letter and envelope, and including details of current remuneration. Interviews can be held in Edinburgh, Manchester, Birmingham and London.

GKRS

SEARCH & SELECTION

1 WATERLOO STREET, BIRMINGHAM B2 5PG. TEL: 021 633 4844

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Research Manager
Global Asset Management Group
Play a major part in establishing a key strategy unit

City — **to £50,000 + exc. bonus + benefits**

This leading asset management house, which is part of a large and highly regarded international banking group, is growing rapidly as a result of strategic investment by the parent group.

A key part in the company's continued success and expansion will be played by the Strategy Unit. This has been established to support and add value to the investment process by conducting global research and statistical analyses of markets and economies, supporting the in-house macro research function.

The Research Manager will be part of a small, high calibre team, reporting to the Chief Economist, who leads the Strategy Unit. He/she will:-

- research and communicate to fund managers new ideas in investment theory;
- identify and originate important strategic investment themes;
- co-ordinate and disseminate key articles of broker strategy research.

Candidates should have a commercially-related degree and a minimum of five years' experience in investment banking, fund management or brokerage. They must be highly numerate, with a practical understanding of financial markets and a results-oriented attitude. A key attribute will be the unusual combination of independence of thought and the desire to function as part of a team in an intellectually stimulating and challenging environment.

This is an exceptional opportunity which offers excellent rewards and career development prospects. In addition to the advertised salary, the remuneration package comprises a potentially high performance-related bonus, car, mortgage subsidy and other usual benefits.

Please send a full CV in confidence to GKRS at the address below, before Wednesday 23 February, quoting reference number 258J on both letter and envelope, and including details of current remuneration

GKRS

SEARCH & SELECTION

CLAREBELL HOUSE, 6 CORK STREET, LONDON W1X 1PB. TEL: 071 287 2820

A GKR Group Company

Investment Strategist
Manchester based

Henry Cooke, Lumsden is one of the UK's leading independent regional stockbrokers. We now wish to recruit an additional strategist to our Investment Department.

Concentrating on UK stock selection and sector strategy in consultation with the sales teams, the successful applicant will be responsible for advising on portfolio construction for a wide variety of private, institutional and corporate clients.

Candidates should have two to three years' experience of the UK equity market, gained within an institutional, broking or merchant banking background.

Essential attributes include written and verbal presentation skills. The ideal candidate will also have a good degree and should have completed all or part of the IIMR examinations. A competitive package will be offered.

Please send your application to Edward Geraghty, at No.1 King Street, Manchester M2 6AW.

HENRY COOKE, LUMSDEN plc

General Manager
MAJOR GULF BANK

For a commercial bank of size and standing in the Gulf with a sound retail, corporate and treasury business and an international network.

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- **REMUNERATION** substantial and tax-free with full expatriate benefits and performance bonus. Preferred age 40-50. Gulf based.

Write in confidence, enclosing a Curriculum Vitae, quoting reference T7709 to

TK

SELECTION

10 Hallam Street, London, W1N 6DJ Fax: 071 631 5317

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Financial Services Regulation
Investment Management - Monitoring — ***City***

IMRO - Investment Management Regulatory Organisation Limited - sets, monitors and enforces standards of investor protection for a diverse Membership, including fund managers, unit trust managers, pension fund managers, venture capital companies, banks and trustee companies.

IMRO's monitoring function is responsible for promoting high standards among its Membership; and supervising them in order to identify and correct instances where investors may be at risk or where IMRO's standards are not being observed.

We now require additional monitoring staff. Candidates should have experience in one or more of the following: regulation; financial services auditing; unit trusts; derivatives and hedged funds; investment management; investment administration; or compliance. All applicants should have an enquiring, analytical mind, a high level of interpersonal and communication skills, and a commitment to investor protection.

A fully competitive remuneration package will be offered, including non-contributory pension and life assurance. There are excellent opportunities for further progression, based on performance.

Please write (under confidential cover) with a curriculum vitae, including salary, and state your reasons for applying and how you meet our requirements, to: *Robert Charleston, Head of Personnel,* IMRO, Broadwalk House, 6 Appold Street, London EC2A 2AA. Please quote reference number MA94/02.

IMRO

APPOINTMENTS ADVERTISING

appears in the UK edition every Wednesday & Thursday and in the International edition every Friday

For further information please call:

Gareth Jones on 071 873 3779

Andrew Skarzynski on 071 873 4054

SIB

Casework Tracking
Retail Markets/Capital Markets

The Casework Tracking and Coordination Department within the Securities and Investments Board (SIB) follows investigations into major problem cases being carried out by recognised bodies (RBs). Assistance is provided to the RBs in progressing individual investigations and in developing inter-regulator co-operation.

Two posts have arisen, one in relation to retail markets, the other in relation to capital markets. The successful candidates will each be a front-line contact between the Department and the Enforcement division of RBs whose members carry out business either in the retail or wholesale (capital) markets. In the first post these are Lautro, Fimbra and RPBs; in the second, SFA, IMRO and recognised Investment Exchanges.

The individuals' roles will involve developing relationships with key enforcement personnel at RBs with an emphasis on openness and informality. The jobs will primarily be to ensure that SIB is positioned so as to maximise its potential to assist RBs in bringing problem cases to successful and definitive conclusions.

Applicants will have a broad experience of either the retail sector of the financial services industry, specifically life assurance and unit trust markets, or of capital markets specifically derivative markets (in particular, financial derivatives). Experience gained from either the front or back office would be preferred.

Candidates should have the ability; to analyse complex products, markets and trading strategies from an enforcement perspective; to 'make a case' both verbally and on paper and have a high level of interpersonal skills.

Interested applicants should, in the first instance, contact **Anna Williams at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH** or phone **071 831 2000** for an information pack. Closing date 23rd February 1994.

MP

Michael Page City

International Recruitment Consultants

London Paris Amsterdam Dusseldorf Sydney

FX Traders

Due to expansion Royal Bank of Canada is looking to recruit one or two graduate dealers to join their highly successful Short-term Interest Rate Trading Desk.

Applicants should have a good degree in a numerate discipline from a traditional university and must have one to two years experience trading FX Forwards, currency FRAs or Short-term Swaps with a major international bank. They must be highly motivated, flexible and innovative. The right candidate will be rewarded with an attractive package and a dynamic and exciting work environment. Newly qualified graduates will not be suitable.

Applications in writing please to Liz Inglis, Manager, Human Resource Services.

Royal Bank of Canada,
71/71a Queen Victoria Street,
London EC4V 4DE

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Andrew Skarzynski on (071) 873 4054

Senior Investment Analyst
UK Equities

One of the UK's leading London-based investment management organisations has a requirement for an experienced investment analyst to join its *UK equities team. Initial* responsibilities will entail the in-depth coverage of a number of market sectors and the selection of stocks for a range of pension fund and insurance portfolios.

The position is likely to appeal to investment analysts with at *least two years' investment* research experience with the primary focus on the UK market. Candidates must possess well developed interpersonal and communication skills and will be graduates probably in their mid to late twenties.

If you would like to be considered for this opportunity, which offers a competitive salary and benefits package and the prospect of early advancement to portfolio management responsibility, please write in confidence to:

IMR *Recruitment Consultants,* No. 1 Northumberland Avenue, Trafalgar Square, London WC2N 5BW (tel. 071 872 5447).

IMR

INVESTMENT MANAGEMENT RESOURCES

Senior Economist

PRICING STRATEGY AND ECONOMIC PLANNING

c£35,000 + Financial Sector Benefits *London*

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As Senior Economist, your task will be to analyse and forecast the cash flow, profitability and market share of the Division's lending and savings products, as well as formulating key pricing proposals. This is a vital role as inaccurate forecasts can have major impacts on the success of our business. The work is demanding and varied and you will be part of a small team of Analysts and Economists.

Probably with a post graduate qualification in Economics or an MBA with an emphasis on quantitative methods, you will possess a sound knowledge of econometrics or forecasting gained as an applied economist or in a related position within accountancy or corporate planning. Excellent analytical skills are vital to deal with the many complex issues involved, and you must have the confidence and credibility to present to senior staff up to board level. A broad knowledge of the financial sector and proven team working skills are also essential.

In return you will enjoy an attractive salary and a full range of financial sector benefits. To support a healthy work environment, Abbey National has a no smoking policy.

Please write with full career and salary details, and quoting ref: N1619 to Caroline Catliffe, MSL Advertising Services Limited, 32 Aybrook Street, London W1M 3JL.

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You will need at least seven years' product management experience within financial services, strong classical marketing flair, well developed written communication skills and fluency in English and, ideally, at least one other European language. The interpersonal skills to influence colleagues at various levels will be essential.

We offer a highly attractive salary with performance related bonus plus comprehensive benefits including company car, subsidised mortgage and money purchase pension plan. There are excellent career opportunities both within securities services and throughout Citibank.

Please write, enclosing your c.v., to Sue Bertram-Smith, Vice President Human Resources, Citibank NA, PO Box 200, Cottons Centre, Hays Lane, London SE1 2QT.

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INTERNATIONAL ECONOMIST

American Express Bank is seeking an international economist to join its Global Economics Unit, headquartered in London.

The Global Economics Unit is responsible for all economics research for the Bank worldwide: the Bank has a network of 83 locations in 38 countries. The Unit publishes The *Amex Bank Review* – now in its 21st year – as well as the Bank's economics report for investors, the Monthly Economics Report. The Unit is also responsible for country risk assessment and emerging markets research. Since 1987 the Unit has run The Amex Bank Review Awards, the Bank's essay competition in international economics and finance.

The economist would be expected to participate in a wide range of the Unit's activities as well as being able to pursue appropriate specialisations. A competitive remuneration package is offered.

The successful applicant is likely to have had at least 3 years of relevant working experience; good writing and oral communication skills are essential as well as a strong training in international economics. Fluency in Spanish would be an advantage.

Applications should be addressed to Ms. M. King, American Express Bank Ltd, 60 Buckingham Palace Road, London SW1W 0RR.

American Express Bank Ltd, a subsidiary of American Express Company, meets the financial service needs of wealthy individuals and their own companies and selected financial institutions through its four businesses: private banking, commercial banking, correspondent banking and global treasury.

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GODSELL, ASTLEY & PEARCE LIMITED

EXPERIENCED CURRENCY OPTIONS BROKER

- We are seeking an experienced Currency Options Broker to join our highly successful currency options team in London.
- Candidates should be educated to degree level and have a minimum of 18 months experience in the currency options market. Experience of broking cross-currency options would be an advantage, together with a good understanding of, and contacts within, the North American options market.
- In return we can offer a highly competitive salary package and exciting career prospects both in London and abroad.

If you would be interested in discussing this opportunity further, please send a detailed CV and covering letter to the Personnel Manager, Godsell, Astley & Pearce Limited, 119 Cannon Street, London, EC4N 5AX.

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Subsidiary of a leading International Bank requires recent graduate to join an existing derivatives products group, initially as a trainee. Future prospects are excellent for the successful applicant.

Applicants should write to Box B2265, Financial Times, One Southwark Bridge, London SE1 9HL enclosing a detailed CV.

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We are retained, often on an exclusive basis, by an increasing number of banks and packagers operating within the structured finance market. This also includes large unit leasing and asset based finance. Whilst the exact requirements may vary, all positions require experience gained within the £10m+ sector. A selection of the appointments that we are currently handling are listed below.

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Leading Merchant Bank requires an experienced transactor to join the established and successful cross-border, fee-income based team. Candidates must possess a proven record of originating and negotiating complex transactions coupled to excellent technical skills and a knowledge of capital market products.

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£70,000 plus bonus

Major international banking group seeks to recruit a first class negotiator who possesses significant expertise within European cross-border transactions. Candidates should have the ability to work as both principal and advisor coupled with the knowledge of relevant tax jurisdictions. Fluency in an additional European language is essential.

TECHNICAL ADVISOR

£50,000 plus bonus

Applications are sought from candidates who can demonstrate exceptional structuring skills encompassing highly complex cross-border transactions. The role will suit a pro-active individual who can take maximum advantage of marketing opportunities as well as creating unique structures which have multiple applications.

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£45,000 plus bonus

A leading intermediary wishes to appoint an experienced graduate who can demonstrate in-depth evaluation and negotiating skills gained within the domestic market. For this genuine career opportunity, the ability to establish effective client relationships is essential, whilst expertise in transaction origination would be highly advantageous.

If you are interested in the above or other positions within the large unit finance sector, and have relevant expertise, please contact Peter Haynes or Keith Snow. No information will be disclosed without applicants prior consent.

Jonathan Wren & Co. Ltd,
Financial Recruitment Consultants,
No.1 New Street, London EC2M 4TP
Tel: 071-623 1266 Fax: 071-626 5258

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INTERNATIONAL EQUIPMENT FINANCE SPECIALIST

The Company:
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The Position:
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Qualifications:
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- Fluent in Spanish and English. German and French convenient.
- 35 to 45 years of age.
- Excellent sales skills.

Please send C.V. to:
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SWAPS, OPTIONS AND MEDIUM TERM FOREIGN EXCHANGE TRADER

Major bank seeks trader with knowledge and experience of:

- Swaps, trading in the major currencies (US, Euro & AUD NZD);
- Fixed Income options trading in the above currencies;
- Medium term foreign exchange trading between the above currencies.

Candidates will be educated to degree level with a strong quantitative background. In-depth relevant experience essential. Intimate understanding of options pricing and portfolio managements highly desirable. Candidate should have not less than five years derivatives experience. Remuneration dependant upon experience and performance.

Write to: Box B2256,
Financial Times,
One Southwark Bridge,
London SE1 9HL

MANAGEMENT CONSULTANT

International Management Consultancy seeks an experienced consultant to assist in further developing their European practice. Applicants should possess 6+ years' experience in financial services and payment systems (preferably plastic cards), with marketing, finance and/or accounting background. Position requires strong analytical, financial, and communication skills. Multi-lingual ability preferred.

Interested parties should send CVs to: Box B1998,
Financial Times,
One Southwark Bridge,
London SE1 9HL

CURRENCY ECONOMIST/STRATEGIST

Excellent salary and banking benefits · London based

Our client, a prestigious US financial services firm, is seeking an internationally experienced Currency Strategist to research and present currency investment ideas to the Foreign Exchange Division and its world-wide clients, both internal and external.

You must hold a good economics degree and have detailed knowledge of currency markets and an understanding of the risk management environment. Experience in the preparation and execution of strategy presentations to an international client base at senior management level is a pre-requisite. Ideally, you will also have had the exposure to a policy-making environment, perhaps in a central bank, finance ministry or in politics. You are likely to have had at least 10 years' relevant working experience.

As part of their firm-wide global strategy, you will play a critical part in providing expert analysis of major, minor and emerging currencies and will be expected to take responsibility for preparation of publications to meet the growing needs of the firm's franchise in Foreign Exchange. Liaison with policy-makers and their advisers will be important and you must demonstrate an ability to establish contacts with these and other market participants.

Candidates must have a high energy level, be able to thrive in a high pressure environment and have proven interpersonal skills. Preference will be shown to candidates who demonstrate a combination of the pre-requisite business and communication skills, as well as multi-cultural sensitivity.

The rewards package and career development prospects are excellent.

To apply, please write with a full cv, quoting reference 809, to Alistair Lyon, Confidential Reply Handling Service, Associates in Advertising, 5 St John's Lane, London EC1M 4BH. Please state clearly any company to which your application should not be forwarded.

ASSOCIATES IN ADVERTISING

Bank Julius Bär (Deutschland) AG is an investment bank specializing in securities trading with domestic and foreign institutions and in asset management for private customers.

We are urgently seeking an

Investment Counsellor Department of Institutional Sales

The candidate should have several years of practical experience as an investment counsellor to international institutional customers. Analytical capabilities coupled with research experience as well as a firm command of the English language are prerequisites for this responsible position.

We offer interaction with a highly motivated staff, excellent entry conditions and an attractive as well as challenging job in downtown Frankfurt. Please send your fully documented application together with a photograph and an indication of your earliest possible starting date to the attention of Dr. R. Ziegler at Bank Julius Bär (Deutschland) AG, MesseTurm, 60327 Frankfurt am Main. Kindly establish preliminary contact with Mr. P. Bettscheider (Tel. 69/756 96 109).

JB&B

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(DEUTSCHLAND) AG

TRUST OFFICER

We are a major US bank with a presence in 38 countries around the globe. Our customers are internationally diverse and mobile, wealthy individuals, whose needs can best be served by the full spectrum of Private and Commercial banking services.

At our London branch, we now need an experienced Trust Officer who will play a key role in our overall marketing effort. By acting as the interface between clients and the Bank's trust operations in private banking centres and offshore banking centres throughout the world, you will work to become the focal point for co-ordinating our total effort to meet clients' private investment and corporate commercial needs in a broad range of legal jurisdictions.

Aged 30-45 years, your involvement in trust, (or related legal and tax work) will represent a considerable proportion of your career. As well as a wealth of technical knowledge, you will have acquired the ability to relate to clients from many different cultures and backgrounds and with many different objectives from the trusts which you administer for them.

If you possess these skills to exceptional extent, we can give you an exceptional opportunity to use them in a bank whose reputation for service and integrity is growing fast.

To take the next step, please send a full CV, including current salary details, to: Ms M King, Human Resources, American Express Bank Ltd, 60 Buckingham Palace Road, London SW1W 0RU.

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A successful small Company, seeks personnel to operate mainly in the Eurobond Markets. Previous sales experience with a client base and SFA qualifications necessary. Basic salary and attractive commission structure.

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INVESTMENT ADMINISTRATOR BEDFORDSHIRE SOLICITORS

An experienced Investment Administrator is required for our rapidly expanding Investment Division to assist our Investment Manager.

He/she will have wide knowledge of all backroom procedures, probably gained in a stockbroking environment or similar and have the confident personality and seniority to contribute effectively to this important function.

Computer and accounting skills essential with Securities Industry examinations/Registered Representative or similar, an advantage - Age open.

Attractive salary and excellent working conditions.

Please write with C.V. to:-
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Osborne Morris & Morgan Solicitors
Danbury House, West Street
Leighton Buzzard
Bedfordshire LU7 7DD

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This is a strategically important appointment for our client. The successful candidate will have a minimum of 10 years *IT experience, with a demonstrable track record of successful IT management in a financial services environment*, preferably stockbroking. This experience should include 3 years in an open systems environment. Knowledge of Informix/equivalent RDBMS, Unix and VAX development would be an advantage.

The candidate will be responsible for developing IT strategy and ensuring the delivery of critical business software solutions. As a Manager, you will work in a demanding professional environment where ideas are being continually evaluated. Strong interpersonal and communication skills and an ability to get things done are key requirements of the job.

An excellent performance related remuneration package is provided. Please write tin confidence, with full Cv and current salary details to:

Alastair Blair
Andersen Consulting
Andersen House
1 Harbourmaster Place
Dublin 1
Rep. of Ireland

Please quote Reference AC101

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- you are a strong and confident communicator
- *you are determined to develop your career to a* high level of seniority within the financial services sector
- you are between 25 and 36 years of age

There is a high probability that you will be able to make a choice amongst your preferred institutions.

Please call Jim Stallard or Judith Burdon on 071-405 4571 or send your CV to:

A M S

Applied Management Sciences Ltd
26/28 Bedford Row
London WC1R 4HE
Tel: 071-405 4571
Fax: 071-242 1185

Search and Selection Consultants

Klesch & Company Limited

As a consequence of continuing growth in the European distressed and illiquid financial markets, we are expanding our research capabilities by the appointment of a:

SENIOR RESEARCH ANALYST

- We seek an experienced individual to make a major contribution to our information, research and valuation activities.
- Reporting directly to the Head of Research, the candidate will identify and analyse opportunities across the full spectrum of industry sectors, in both the UK and Continental Europe.

The successful candidate will be working in a highly focused entrepreneurial environment and will be expected to display considerable initiative and tenacity. Relevant experience could have been gained in a number of City, industry or professional disciplines. A well proven ability to dissect financial information and to write incisive research documents are prerequisites.

An attractive remuneration package will be available for the right candidate.

To apply, please write, enclosing a full C.V. to: **Mr R. Jeff Summers, Klesch & Company Limited, 4 Duke Street, London, W1M 5AA.**

Member of FIMBRA

INVESTMENT ANALYST

UK Smaller Companies Research Team

Scottish Based

Our Client is a *subsidiary* of one of the *most successful* and progressive life assurance companies in the UK.

In this demanding role, *you will undertake* research on small companies in various sectors of the UK equity market, from the initial selection of potential opportunities to the detailed analysis of individual companies. This will involve extensive travel in the UK.

As Investment Analyst, *you will be responsible for:*

- the communication of investment recommendations to the managers of both *wholesale and retail funds managed by our Client*
- the provision and maintenance of information on companies and sectors for *use in asset allocation decisions.*

You should have several years' equity analysis experience or have an Accountancy background and be considering a career in fund management.

In addition to a competitive salary, benefits include a non-contributory pension scheme, BUPA and mortgage allowance scheme.

Confidential Reply Service: *Please send full career details*, quoting Ref: 5146, and listing separately any company to whom you do not wish your details to be sent. CVs will be forwarded directly to our Client who will conduct the interviews.

Barkers Scotland, 234 West George Street, Glasgow G2 4QY.

B/A/R/K/E/R/S

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Fluent French with knowledge of German.

Should you wish to receive my CV please write to:

Box B 2268, Financial Times, One Southwark Bridge, London SE1 9HL

LAWYER

Buena Vista Home Video Ltd., a subsidiary of The Walt Disney Company, is seeking a Lawyer with 3-5 years' experience in commercial law, corporate law, EU regulations, copyright matters and familiarity with continental systems of law. Strong drafting and organisational skills are required, and entertainment industry experience would be preferred along with fluency in German or French language. The position would include a wide range of business and legal issues in connection with our European home video operations.

We offer an excellent salary and benefits package commensurate with experience.

To apply, please forward curriculum vitae to Paul Bitove, Buena Vista Home Video Ltd., Beaumont House, Kensington Village, Avonmore Road, London W14 8TS. No agencies please.

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ACCOUNTANCY COLUMN

Time to put more theory into practice

Sunjay Kakar argues that accountancy graduates are better equipped to act as decision-makers

The credibility of chartered accountants to act as decision-makers and make professional judgments is being called into question because many have not been trained in the subject and lack a detailed knowledge of accountancy theory.

Those who have studied accountancy as an academic subject argue that qualified accountants from other disciplines do not seem to understand the thought processes behind the current debates in the profession and are impeding progress.

An accountant with a "relevant" (accounting) degree cites the Current Cost Accounting debate during the 1980s. "In my experience the contribution of accountancy graduates to this debate was potentially much greater than that of non-relevant graduates because they had studied accountancy as an academic discipline in its own right," he says.

"Accountancy graduates could understand the theoretical process behind the debate because, for example, they had studied capital maintenance as a concept instead of how it was treated in the accounts."

Academics are in a position to inform the debates taking place in the profession on a wide range of ideas including finance, corporate governance, auditing, accounting standards and management accounting.

Professor David Hatherly of the department of accounting at the University of Edinburgh, says: "There remains a problem for improving standards if the professional membership, at least in England and Wales, has been under-exposed to academic ideas, research results and debate on issues and choices.

"The current cost debate is one possible example of how the debate did not move forward, in part at least due to a lack of understanding of income theory on the part of practitioners."

Do chartered accountants in England and Wales develop their understanding of the conceptual framework while studying for the professional exams? Jon Boyle, a consultant at Robert Walters Associates, the financial recruitment firm, who trained with Arthur Andersen after studying a non-relevant degree, thinks not.

"You do not need to study accountancy theory to pass the chartered accountancy professional exams," he says. "Whilst studying I was never once asked for an academic approach. There was a genuine thrust towards making the accountancy studies more practical and, in order to pass the exams under time constraints, students do not have any time to talk about accountancy theory."

The size of the potential problem can be seen from the student entry statistics from the Institute of Chartered Accountants in England and Wales. The proportion of accountancy – or "relevant" – graduates in the annual in-take has remained stable at only 19 or 20 per cent for the last seven years.

That contrasts with the position elsewhere. At the Scottish Institute, Professor Ian Marrian, deputy secretary and director of education, says that 80 per cent of its students are accountancy graduates.

Professor Niall Lothian, junior vice-president of the institute, says there is a greater feeling within the business community in Scotland that chartered accountants should be accountancy graduates because it gives them a far greater conceptual understanding when thinking through difficult issues.

"The fact that we are faced with a heavily regulated profession has been largely brought about by accountants' failure to understand the conceptual framework of their own discipline," he says. "Students need to have a basic minimum understanding of the conceptual framework, but I question where this understanding is coming from if it is not taught as part of a university degree course in accountancy."

Daniella Acker, a lecturer in accounting at the University of Bristol, suggests that chartered accountants who are non-relevant graduates tend to have a narrow understanding of accountancy theory. "Accountants who are non-relevant graduates have a basic understanding of accounting concepts, but perhaps not the wider and deeper conceptual issues involved," she says.

The lack of understanding of accountancy theory in England and Wales raises a question mark over the professional judgment of many chartered accountants. Professor Lothian says that accountants who do not have a degree in accountancy are "driven to look up the cookbook of instructions rather than think through the issues."

Professor Hatherly says that the need for accountants and auditors to stand back and judge whether financial statements give a true and fair view is becoming ever more important and ever more difficult.

"This is a judgment which requires a theoretical perspective because it requires knowledge and experience of business and accounting rules, but above all as an understanding of how financial statements get over the important aspects of financial position and performance," he says. He stresses the need for a profession "sure of its own thought process and not seeking refuge in rules."

Mr Boyle says that whenever a complex situation arises, accountants and auditors attempt to apply the rules as they currently stand. "But this does not mean that they research the theory behind the rules," he says.

Many chartered accountants point out that they do not need to understand accountancy theory. They argue that they usually refer to a firm's technical department which is best placed to understand the theory because it deals with complex technical issues.

But Professor Lothian says that this is "a betrayal of the concept of the profession". He asks: "Would a patient consult a doctor who had to ask a technical partner to make a diagnosis?".

Not everyone is convinced. Emile Woolf, technical partner at Kingston Smith, says that accountants in practice do not need to be excessively concerned with theory. "Practitioners are not aware of any commercial disadvantage in an ignorance of the theoretical framework underlying routine accounting and auditing work," he says. "Most can get on perfectly well and cost-effectively, without continuously referring back to accountancy theory."

Ken Wild, technical partner at Touche Ross, says: "There are many chartered accountants with a relevant degree who often spend too much time concerned with technicalities. They should stand back and ask themselves whether they are actually communicating."

Allan Cook, technical director of the Accounting Standards Board, takes a different view. He points out that in the past a lack of knowledge of accountancy theory did not harm anyone. But now, with the increasing complexities of the financial and commercial environment, it is important that there should be general agreement on the basic ideas underlying accounting standards.

"Developing markets have brought about financial engineering techniques which were not available before," he says. "To challenge these we need a clear understanding of the principles on which our accounting rules are founded."

Accountancy theory might be likened to driving a car. The purpose of the theory is to build a better engine to drive the car more effectively. Sometimes accountants spend too much time looking under the bonnet without actually driving anywhere.

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You should be a graduate qualified accountant with experience of systems implementation in a progressive manufacturing environment where you have been able to demonstrate commercial skills as well. You should also be able to demonstrate good communication and people motivation skills and be competent in at least one European language. The opportunity will exist to progress to Financial Director status.

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Suitable candidates should contact our advising consultant in confidence **Nicola Lewis at Financial Selection Services, Drayton House, Gordon Street, London WC1H 0AN. Tel: 071-387 5400.** Alternatively fax your career resume **on 071-388 0857.**

FINANCIAL SELECTION SERVICES

Financial Controller

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Reporting directly to the Managing Director, you will introduce tighter financial controls, accounting procedures and systems, thereby ensuring the provision of timely and accurate financial and management information required by business managers and the US parent company. The ability to manage and motivate a small team and establish credibility with senior management will be critical.

You will be a qualified, commercially minded accountant, preferably chartered, ideally with exposure to US reporting and to the transportation sector. Previous experience of transforming a lacklustre department into a proactive, efficient unit is prerequisite. Above all, you must be a doer, not a theoretician, an energetic, pragmatic manager with an innate desire to achieve results and sort out problems. Opportunities exist within the Group as a whole for progression into senior financial or general management positions.

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Our client is an operating unit within a Fortune 500 US corporation. The company has a well established sales and distribution network in both the toy and collectibles markets across the world. Through strong branding, product design and a focused marketing strategy, the business has experienced substantial growth in the last few years.

As a result of an internal realignment, the senior management of the operating business seek an exceptional individual to complement their existing team.

Reporting directly to the Managing Director, the successful applicant will be responsible for the provision of comprehensive management information for the operating executive to identify and exploit business opportunities. The company operates on a worldwide basis and the role will encompass all aspects of the business from product design and development, sourcing, marketing, planning and forecasting. Suitable candidates will be MBAs, or qualified accountants, in their late twenties, who have at least three years commercial experience.

In order to contribute within this fast moving consumer market, the individuals must demonstrate a track record of achievement, coupled with the ability to communicate at all levels within the corporation.

The role is seen as a high profile entry point and therefore long-term ambition, potential and the willingness to relocate internationally are prerequisites.

Interested candidates should write enclosing a full curriculum vitae to **Paul Kinsey ACMA at Michael Page Finance, The Citadel, 190 Corporation Street, Birmingham B4 6QD.** Please quote ref: 177866.

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You will be a key figure in all matters financial and administrative concerning the operation and development of the country office.

The successful candidate will be a fully qualified Accountant, aged 27-35, and willing to travel both nationally and internationally. No special language or technical skills are required, but your background will be in Commerce and Industry in a "hands-on" finance role; and you must exhibit a strong track record to date. For the successful candidates, the prospects for a challenging international career are excellent.

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The ideal candidate will be aged over 35, and a qualified accountant. Previous exposure to a manufacturing business involving project management would be highly desirable.

Candidates must be strong man-managers, have a proven track record of change management, be innovative in their approach to problem solving and possess outstanding interpersonal skills and an overall ability to make things happen.

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Interested applicants should write to Sandy Bell, Regional Manager at **Michael Page Finance, 150 West George Street, Glasgow G2 2HG.**

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Finance Manager

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IA6737

Finance Director

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QUALIFICATIONS
- Qualified Accountant with outstanding strategic planning skills. Comfortable in change setting.
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- Ideal career to date - FMCG, distribution or multisite service, probably with large plc.

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The ideal candidate will be a graduate ACA/ACMA, aged late 20's, with 2/3 years' commercial post qualification experience incorporating detailed planning and analysis work. A media background is not essential. Applicants must be results-orientated yet meticulously accurate, ambitious yet team spirited, forceful yet diplomatic. Success in this pressurised and highly visible role will undoubtedly lead to further opportunities within the Group.

Please write, in confidence, enclosing career and salary details, to Tim Knight, quoting reference 0302.

KPMG Selection & Search
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Financial Controller

Young high growth niche food manufacturer

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Chief Financial Officer

The Russian Privatization Center

Moscow — Competitive Package

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They wish to recruit a results orientated Chief Financial Officer whose duties will be to design, establish and manage accounting and financial systems, to implement reporting systems and to control the finances of diverse local privatisation centres in 15-20 Russian regions. There is considerable scope for involvement in areas of accounting and disclosure reform which is central to the future of Russian accounting.

The position calls for a hands-on Chartered Accountant or CPA with experience of working with multi-cultural teams in an international environment. Politically sensitive, the ideal candidate will be a highly flexible and innovative individual who can work within both the complex Russian and international legal systems. Any previous exposure to capital markets projects would be ideal.

This is an exceptional opportunity to work on an immensely important project with committed and highly able colleagues. Fluency in English is essential and clearly the ability to speak Russian would be a distinct advantage.

Please write with a full CV quoting reference C/0045 to:
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DIRECTOR OF FINANCE & INFORMATION

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to £55,000 including car and bonus

On 1st April 1994 it is proposed that a new NHS Trust should be created out of the merger of Mount Vernon NHS Trust and Watford General Hospital.

The new organisation will be the largest local supplier of acute services and a major Regional centre for cancer and reconstructive plastic surgery and burns, with an income in excess of £80 million. It has world class R&D facilities in both fields including the Gray Laboratory - the largest unit for radio and tumour biology in the world.

An experienced, commercially minded Director of Finance and Information is now required to provide financial leadership to the Trust and its Board and to play a significant part in addressing the change management requirements resulting from the merger.

A qualified accountant with Board level experience gained in either the public or private sectors, you should be able to bring considerable breadth to the role including excellent planning and negotiation skills and a thorough knowledge of computerised financial and information systems. Good team-building skills are also essential.

Experience of NHS Trust financial operations and/or the management of organisational change would be additional pluses.

**Please send or fax your CV to Peter Lewis at Line Management Resourcing: Fax No 081-429 4121
The closing date for entries is Wednesday 23 February.**

Line Management Resourcing
Recruitment Consultants
Canada House, 272 Field End Road, Eastcote, Ruislip, Middx HA4 9NA

C
F
A

First Class Audit Professional or Management Consultant

Financial Services Control

Late 20s/Mid 30s — neg. to c.£45,000 + Bonus + Car — East Anglia

Our Client is a major UK based financial services group, and a recognised leader within its various market sectors.

An exceptional young finance professional is sought within a key product division to provide strong leadership over a programme designed to address a number of operational accounting issues, and to create and maintain a sound internal control environment in line with both internal and external codes of practice, and legislative requirements.

The primary aim will be to provide and co-ordinate the necessary direction, guidance and training to operational accounting and administration management and staff, both centrally and regionally, to achieve these internal control objectives. Reporting to the divisional Financial Control Manager, the position carries responsibility for a young team of staff engaged in regional inspection, the provision of statistics and key performance indicators, and special projects.

Whilst it is stressed that this is a *non*-audit role, you are likely to be a graduate, qualified accountant with experience of major financial services organisations, most probably gained through audit or consulting experience within the profession, or possibly in a relevant internal/operational audit function. You must have the energy, maturity and inter-personal skills to influence and effect change, with the project management skills, determination and conviction to diplomatically drive solutions through. You must also have the potential to move on from this highly visible stepping-stone to undertake other senior challenges within the Group.

In addition to a first-class benefits package, comprehensive relocation assistance is available if appropriate. Our Client is an equal opportunities employer and is happy to consider applications from registered disabled persons.

You should write, enclosing a resume together with current remuneration details and daytime/evening telephone contact numbers, quoting reference 401/C on both envelope and letter, to the address below.

Chryssaphes Flammiger Associates, Bechtel House, 245 Hammersmith Road, London W6 8DP.

FINANCE DIRECTOR

The ADVANCED COMPOSITES GROUP

Notts/Derby Border — c.£40,000 + benefits

The advanced Composites Group is at the forefront of advanced materials and components manufacture and is a world leader in its area of expertise, servicing a high technology customer base. The success of recently established US operations has boosted turnover to £9 million.

An experienced Finance Director is now required to lead a small team to build upon the success to date and provide a sound platform for future profitable growth. The Finance Director will be an important member of the Group's management team, which requires a pragmatic and commercial approach, and will have full responsibility for the financial management of the UK and US operations. Initial emphasis will be directed towards enhancing computerised financial and costing systems.

Candidates must be professionally qualified and able to demonstrate tangible achievement within a manufacturing environment, including solid experience in areas such as credit control, exports and dealing with financial institutions.

Please write enclosing a full CV with current salary details to Judith Hibbett

Advanced Composites Group Ltd
Composites House, Adams Close
Heanor Gate Industrial Estate
Heanor, Derbys DE75 7SW

North-Eastern Education and Library Board

Applications are invited for the following post:

HEADQUARTERS

CHIEF FINANCE OFFICER

Salary Scale £36,663 - £40,329 per annum

The post is one of six posts at Head of Department level.

The Chief Finance Officer will be a member of the Board's Senior Management Team and will be responsible to the Chief Executive for the development and implementation of progressive financial systems, policies and practices designed to meet the particular and varied needs of the Board as reflected in its strategic plan.

Applicants must hold a recognised degree relevant to financial management or other equivalent completed professional qualification and have a minimum of 3 years' post qualification financial experience at a senior level. Applications may also be considered from persons who have a minimum of 7 years' experience in financial management at a senior level in a large organisation.

Applicants will be required to provide evidence of the breadth of their management experience including details of management of staff, scale of financial management responsibility including total budget, and involvement in the development and management of organisational strategic issues.

The candidate appointed must hold a current driving licence and must provide and maintain a car for personal use on Board business.

The Board is an Equal Opportunities Employer and welcomes applications for all posts at all locations, regardless of gender, community background, political affiliation, race or disability.

Application forms may be obtained on receipt of a stamped addressed envelope (minimum size 7" x 10"), from the Personnel Officer, and must be returned to the Equal Opportunities Officer, North-Eastern Education and Library Board, County Hall, 182 Galgorm Road, Ballymena, Co Antrim, BT42 1HN NOT LATER THAN 4.00 PM ON FRIDAY 25 FEBRUARY 1994.

Canvassing in any form will disqualify.

Merrill Lynch

CITY

EUROPEAN REGULATORY CONTROLLER

£ EXCELLENT

Merrill Lynch is uniquely positioned as a leader in both the private client and institutional segments of the securities industry. For the last five years, the firm has consistently held the number one position as the largest lead underwriter of debt and equity securities worldwide. In Europe, Merrill Lynch has a major position both in private banking and investment banking.

Internal promotion has created a key requirement within a high profile team responsible for regulatory reporting, planning and analysis. This opportunity will enable the successful candidate to realise their true potential within one of the most progressive institutions in the City.

The Role will include:

- Managing a team responsible for compliance with capital adequacy requirements and regulatory reporting.
- Planning for, and advising on, legal entity structures in Europe as a result of a changing regulatory environment.
- Forming part of the overall financial management team for Europe and participating in the review and implementation of new business activities.

Suitable applicants will be graduates, currently enjoying a successful career within a financial services company, regulatory body, top accounting firm or management consultancy.

In addition, you will possess a minimum of 3-5 years' experience of capital markets and exhibit a broad understanding of the international regulatory environment, SFA regulations and EC financial directives.

Furthermore, you will have the tenacity, drive and flexibility to excel in a dynamic environment. The ability to communicate effectively with both front and back office personnel is essential.

Interested applicants should contact David Twiddle on 071 379 3333 (fax 071 915 8714) or write to him enclosing a detailed CV to **Robert Walters Associates, 25 Bedford Street, London, WC2E 9HP.**

ROBERT WALTERS ASSOCIATES

finance manager

Avery Berkel, part of the GEC Group, is a world leader in the manufacture of weighing systems, slicers and food processing equipment. We now wish to recruit a talented accountant for our UK sales and service business which has a turnover of £80M, employs some 1700 people at sites throughout the UK and serves some 100,000 customers.

Based at our sales and service HQ at Walsall in the West Midlands, you will join the management team and take responsibility for the 50 strong finance and credit control operation.

You should be educated to degree level, aged between 30-40 and be a qualified accountant. Experience of managing a large Finance Department is essential.

The total remuneration package is designed to attract ambitious and capable managers who are keen to develop their career with a market leader.

To apply, write with CV in the first instance to, Mrs Kathy Daniels, Avery Berkel Group, Foundry Lane, Smethwick, Warley, West Midlands, B66 2LP.

We are an equal opportunities employer.

Avery Berkel A GEC Company

Energy Trading

The power supply industry has changed radically since privatisation, not least due to the liberalisation of the market for the bulk purchase of electricity and its sale on negotiated supply contracts. Commercially, it has put them at the leading edge alongside traditional commodity trading. At the forefront of this new activity, my client has built a high calibre, nationally respected Energy Trading team by recruiting 'best practice' experts.

Your brief is to bring to the team enhanced financial disciplines and controls, without inhibiting the entrepreneurial flair and commercialism essential to this fast changing business. You will contribute professional expertise, persuasive recommendations and influential strategic advice. Your proactive management of working capital, return on assets and gross margins will have a real impact on the growth and continued success of the business.

A graduate Chartered Accountant, you will have achieved rapid post-qualification progress in a big six firm and/or a blue chip company. Independent minded but a strong team player, you will thrive in a quality-led, intellectually challenging yet highly pragmatic culture. The job demands high calibre technical skills in management & financial accounting and budget & cashflow forecasting, equally matched by strong interpersonal skills.

A high profile role, success will bring personal development and career progression in a substantial plc that recognises and rewards talent. Send a comprehensive CV (including current salary details) and a brief covering letter that distinguishes your application to Andrew Burke, Macmillan Davies, Colston Centre, Colston Street, Bristol BS1 4UX.

Financial Control with a Commercial Edge

Midlands

to £45,000 plus bonus, car and benefits

Macmillan Davies

LONDON • HERTFORD • BRISTOL • LEEDS • MANCHESTER

Finance Director

major food company

c.£50k + bonus + car

A finance director is sought for this international food trading, processing and distribution company, part of a leading quoted European foods manufacturer. Based in north London, turnover is £200m, with 700 employees spread over 20 sites in the UK. The task is threefold: to keep score; have a positive impact on all commercial, trading and strategic decisions; act as a financial link to the parent plc. Candidates must be graduate chartered accountants in their early 30s to 40s, with several years' experience as financial controller/director of a company where 'trading' is an integral part of the business. Knowledge of PLC reporting requirements, computer literacy and good presentation skills are all important, but the overriding requirement is for a quick brain combined with strong commercial 'nous'. Please reply, in confidence, with full career details, to Peg Eva, as adviser to the company, at Thomson Partners Ltd., 1-11 Hay Hill, Berkeley Square, London W1X 7LF.

Thomson Partners
Search and Selection

Strong Systems Orientation and Commercial Focus

Finance Director

Early/Mid 30s *flex. c.£40,000 + Bonus + Car* *West Sussex*

Our Client is a British, rapidly expanding, quoted international publishing group.

The Group has recently established a new distribution business that has already achieved a turnover close to £10 million, and which is anticipated to reach £50 million turnover within 3 to 5 years. As a high profile business within the Group and now out of its development stage, a "commercial" Finance Director is sought to take responsibility over the functions of Finance, Operations and Systems, and related staff.

Reporting to the Managing Director, and functionally to the Group Finance Director, your primary aim will be to install and further develop the necessary financial controls and operating systems needed to meet the demands of such a fast expanding business. Apart from monitoring performance against objectives and exercising due control, more generally, you will be required to bring a strategic and commercial perspective and, in particular, to provide "challenging" input and advice to the Marketing and Sales functions to ensure continued sound growth.

You are likely to be a graduate, qualified accountant, who is highly computer literate and energetic, possessing a pragmatic and "shirtsleeves" approach together with strong leadership and project management skills. Ideally, you will have had exposure to a very systems orientated environment in a low value/high volume distribution or service business, and will be familiar with the associated administrative, accounting and financial control issues. In exceptional cases, individuals with extensive relevant client experience from within the profession may be considered.

In addition to a first-class benefits package, which could include share option scheme participation, relocation assistance is available if appropriate.

You should write, enclosing a resume together with current remuneration details and daytime/evening telephone contact numbers, quoting reference 402/D on both envelope and letter, to the address below.

Chryssaphes Flammiger Associates, Bechtel House, 245 Hammersmith Road, London W6 8DP.

MOTORS FINANCIAL ACCOUNTANT

Dover c. £27k + car + benefits

The Daihatsu and Jeep import/distributor for the UK and Eire is seeking an additional member of the finance team following recent reorganisation to cater for continuing growth.

Reporting to the finance director you will be responsible for all treasury and tax operations for this £150 million turnover UK plc subsidiary. In addition there is a large commercial content to the position as you will have direct responsibility for the interface to retail finance operations.

A chartered or certified accountant you will already have post qualification experience in treasury at head office or plc subsidiary level. Previous exposure to FX will be a distinct advantage. To augment your treasury skills you must also have strong technical interests and an enquiring mind to help you through the taxation challenges you will face.

This is an unusual combination of roles within a small but fast growing business unit. You will need good interpersonal skills for direct liaison with banks, finance companies and senior managers. Presentation and pc skills must be excellent.

Please apply by letter enclosing a full C.V. to: Mrs D Masters, Personnel Officer, Inchcape Motors, Poulton Close, Dover, Kent, CT17 0HP.

Inchcape Motors

NEWLY QUALIFIED ACCOUNTANTS

Outstanding Opportunities in Investment Banking City

UBS is one of the world's premier banking organisations. The UBS Limited London office is engaged in a wide variety of investment banking functions covering cash and derivative product areas. As a result of continuing growth we are seeking to recruit a number of high calibre newly qualified accountants to challenging positions within the organisation.

Our Group reporting area is looking to recruit two additional Financial accountants to take responsibility for a range of duties including statutory/regulatory reporting and investigation/analysis of trading results. The ability to work under pressure as part of a team is essential.

We are also seeking to recruit several high calibre staff for our debt/equity product accounting areas. The positions will involve working with a complex array of derivative and traditional products. The roles will involve significant front office liaison and require strong quantitative and analytical skills.

An opportunity also exists to work with the Bank's Group Internal Audit Team which involves evaluating and reviewing procedures across a range of banking products and services. This position requires strong analytical skills and will provide an invaluable opportunity to gain wide exposure to all areas of the Bank's activities.

Applicants will ideally be newly qualified ACAs seeking to further their careers in a challenging environment. Financial services experience is desirable, although not essential. We will offer a competitive salary and all the positions offer a first class entry point to the organisation and great opportunity for internal advancement.

Please send your details in confidence to Shirley Paul at the address below, indicating, if appropriate, your preferred area:

Shirley Paul
Personnel Officer
UBS Limited
100 Liverpool Street
London EC2M 2RH

UBS Limited

FT/LES ECHOS

The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world. For information on rates and further details please telephone:
Philip Wrigley on 071 873 3511

Passed Finalists List

CIMA

The names given below are successful candidates in CIMA's Stage 4 (final) examination taken in November 1993. In the United Kingdom the pass rate was 42.12%. The pass rate for home and overseas students combined was 32.26%. The locations given are those of the exam centre where the candidates sat.

A

S ABDUL MAJEED, Colombo; TW ABELL, Watford; MA ACOLATSE, London South; GR ACTON, Leeds; JE ADAMS, London Central; PJ ADAMS, Slough; RT ADAMS, London Central; SAA ADATIA, Colombo; K ADDERLEY, London West; JC ADLINGTON, Slough; E AGHADIUNO, London Central; MI AHAMED, Colombo; IS AHMAD, London Central; N AHMAD, Slough; JNW AIKIN, London North; SL AINGER-BROWN, Cambridge; KE AINSWORTH, London East; KAO AJAYI, London South; GE ALEXANDER, London West; PC ALEXANDER, London South; SP ALFORD, Winchester; J ALLAKER, Newcastle; JD ALLAN, Glasgow; MG ALLCORN, Worthy Down; CP ALLEN, Sheffield; DV ALLEN, Croydon; HN ALLEN, Wakefield; JCV ALMEIDA, Johannesburg; RG ALSTON, Cape Town; K AMBIGAPATHY, Colombo; K ANANDARAJA, London West; R ANDERSON, Barking; DP ANGHILERI, London Central; DJ ANGUS, Slough; SA ANSLOW, Leeds; JE APPLEBY, Watford; NM APPS, Derby; LE ARBUCKLE, London South; PJ ARCHER, Brighton (Hove); S ARJUNAN, Colombo; KJ ARMOUR, Watford; P ARROWSMITH, Newport; WMD ARSAKULARATNE, Colombo; GM ASKEW, Wigan; MJ ATE, Chelmsford; SW ATKINSON, London South; PJ AYTON, Middlesbrough;

B

O BABALOLA, London North; SG BACON, Chelmsford; CA BAGGULEY, Nottingham; CA BAILEY, Bristol; JE BAILEY, Newcastle; AS BAKER, London Central; JL BAKER, York; RJ BAKER, Bristol; UM BALAKRISHNAN, London Central; M BALARANJAN, London East; RM BALDWIN, London Central; A BALL, Wakefield; S BALL, London West; DN BANDARANAYAKE, Colombo; RS BANDARANAYAKE, Colombo; A BARFORD, Brighton (Hove); SR BARHAM, Maidstone; EG BARKER, London Central; C BARLOW, Cape Town; JE BARLOW, Wigan; B BARON, Luton; PA BARRIE, Manchester; YM BARRY, Dublin; JGC BARTER, London Central; TS BASI, Birmingham; CE BASS, Peterborough; NR BATENBURG, Brighton (Hove); PJ BATER, Bristol; SP BATH, Watford; RM BATISTE, Croydon; LA BATTERSBY, Wigan; SJ BAXTER, Croydon; M BEADLE, Cambridge; GD BEALE, Newport; JE BEAMS, London Central; PJ BEARDON, Leeds; J BEARDSELL, Brighton (Hove); EA BEARDSWORTH, Wigan; J BEAVAN, Kingston Upon Thames; JJ BEDINGFELD, Reading; A BELCHER, Wakefield; J BELL, London West; JP BELL, London West; DH BELLIS, Liverpool; AD BENNETT, Reading; AF BERARDO, London South; GM BERRY, Johannesburg; PM BESSANT, Newport; J BETT, Hamilton; RL BEVAN, Watford; TM BEVERIDGE, Manchester; AS BHAKTA, London Central; TA BIBUSCH, Pretoria; A BIFIELD, Barking; DC BILLINGTON, London West; ME BIRCH, Chelmsford; PF BIRCH, Brussels; JR BIRD, Northampton; KL BIRD, Cologne; LJ BIRKS, Stoke; SN BISHOP, Bristol; J BLACKLEDGE, Wigan; SRM BLAIR-ALLEYNE, London West; AW BLAKE, Brighton (Hove); SM BLAKELEY, York; PM BLOOMFIELD, St Austell; AK BOANGE, Colombo; S BODIMEADE, Slough; PW BOLAND, Dublin; RJ BOLIER, London Central; CJ BOLTON, Slough; TC BOLTON, Oxford; JP BONAR, Dublin; PD BOOBIER, Worthy Down; FD BOOTH, Dublin; PJ BOOTH, Manchester; JJ BOTES, Pretoria; C BOURKE, Athlone; AM BOURQUE, Nottingham; PH BOWCOCK, Maidstone; NI BOWIE, Hamilton; PV BOYD, Chelmsford; STM BOYLE, Sligo; PJ BRACKEN, Dublin; PA BRADLEY, Slough; LM BRAGANZA, Orpington; I BRANCH, Slough; SJ BRAND, London South; HE BRANNON, Watford; DR BRASSINGTON, London Central; AK BRAY, Manchester; RD BRAY, Kingston Upon Thames; D BREALEY, Derby; H BREHOUT, Watford; DJ BRENNAN, Dublin; PJ BRENNAN, Cork; P BREWSTER, Leeds; JV BRIDGE, Slough; DJ BRIDGER, Stoke; SJ BRIERLEY, Blackburn; DE BRINDED, Slough; MC BRODERICK, Manchester; EA BROOKES, Wigan; BJ BROWN, London Central; G BROWN, Edinburgh; MM BROWN, Croydon; NJ BROWN, Slough; P BROWNE, Dublin; RC BUCK, London West; EJ BUDGE, Glasgow; CCR BUDGEN, London Central; IA BULL, Oxford; RJ BULLEN, London Central; GK BULLOCK, Reading; MB BURBRIDGE, Dublin; J BURGER, Johannesburg; DJ BURGESS, London Central; S BURKE, Manchester; GG BURNS, Newcastle; SR BURNS, Liverpool; SW BUSH, Kingston Upon Thames; S BUTTERWORTH, London Central; C BYRNE, Kingston Upon Thames; J BYRNE, Cork; JF BYRNE, Birmingham; KJ BYWORTH, Northampton;

C

C CAFFREY, Worthy Down; AD CAHER, Slough; RW CALDER, London North; J CAMERON, London Central; NNJ CANTWELL, Dublin; MG CAPEWELL, Liverpool; JP CARDER, Oxford; F CAREY, Wakefield; NA CARGILL, Nottingham; JM CARLTON, Birmingham; AS CAROLAN, Dublin; FM CARRIE, Dundee; DM CARRIER, London Central; KW CARRINGTON, Watford; S CARTWRIGHT, Deeside (North Wales); PJ CARVER, Bristol; AD CAVEN, Grimsby; ID CHAMBERS, Sheffield; B CHAN, Liverpool; S CHAN, Hong Kong; CHAN CHOU NGEE, Kuala Lumpur; CHAN HENG KOO, Kuala Lumpur; CHAN KUM POH, Singapore; I CHAN SUK KAM, Hong Kong; CHAN WAI CHOONG, London North; DW CHANDLER, Newcastle; CHANG HWEI CHIN, London Central; PS CHANGEFOOT, Johannesburg; SL CHAPMAN, London West; MJ CHAPPELL, Wakefield; WN CHARLESWORTH, Sheffield; H CHAVDA, Leeds; CHEEN LEE PHENG, Kuala Lumpur; CHENG SUK PING, Hong Kong; CR CHESTER, London West; IE CHESTERS, Manchester; PDK CHEUNG CHIN YAN, Watford; J CHEUNG CHUN HONG, Birmingham; E CHEVELEY, Maidstone; CHEW CHIN SOON, Kuala Lumpur; CHIAM KOK SOON, London Central; CHIN LOO WEI, Kuala Lumpur; CHIN SOK KYUN, Kuala Lumpur; CHIN WAI LEONG, Kuala Lumpur; P CHISALA, Derby; M CHONG CHING HSIEN, Kuala Lumpur; CHONG FUI CHOO, Kuala Lumpur; CHONG HONG YIE, Kuala Lumpur; CHONG KOK SENG, Kuala Lumpur; CHONG SAI CHING, Kuala Lumpur; CHONG SHIONG JOO, Kuala Lumpur; CHONG SHUN CHEONG, Hong Kong; CHOW PUI LING, Kuala Lumpur; E CHRISTIE, Watford; SW CHRISTIE, London West; LJ CHRISTIE-TAYLOR, Durban; ML CHRYSTALL, Durban; CHU KHEH WEE, Kuala Lumpur; J CHUDASAMA, Birmingham; P CHUNG KAM TONG, Hong Kong; A CIMRING, Johannesburg; MDR CLAASZ, Port Moresby; AG CLARK, Wigan; GS CLARK, Dundee; MI CLARK, Cambridge; MJ CLARK, Nottingham; PA CLARK, Luton; PB CLARK, London Central; PK CLARK, London Central; E CLARKE, Stoke; GH CLARKE, Sligo; GL CLARKE, Cheltenham; JA CLARKE, Blackburn; SC CLARKE, Wednesbury; NLM CLAY, London Central; PW CLAYTON, Nottingham; PDJ CLEWS, Wigan; AC CLYNE, Croydon; HD COATES, Nottingham; MJ COATES, London South; IW COBB, Maidstone; JR COE, Northampton; P COEKIN, London Central; SA COHEN, Johannesburg; SJ COIA, London Central; RB COLE, Deeside (North Wales); RE COLE, Cambridge; SJ COLE, London Central; KJ COLL, Dublin; SJ COLLIE, Slough; CJ COLLINS, Manchester; PM COLLINS, Nottingham; DL COLQUHOUN, Glasgow; RTS COLTHURST, London Central; HE CONELY, Brighton (Hove); JM CONLON, Manchester; CH CONNOR, Winchester; NJ CONNOR, Winchester; JF CONRADIE, Johannesburg; KE CONSTANTINE, Liverpool; GAH COOK, London Central; DJ COONEY, Newcastle; DA COOPER, London South; GJ COOPER, Wednesbury; TM COOPER, Brighton (Hove); GR COPSTICK, Auckland; DA CORNELIUS, Chelmsford; CA CORNER, London South; AD CORNWALL, Blackburn; KS COTTER, Slough; FP COULTER, London South; P COURTNEY, Cheltenham; MH COUSSENS, Derby; SM COVILL, Cambridge; AJ COWHIG, Limerick; FJW COWIE, Orpington; HG COWING, Preston; IJ COXON, London West; AWJ CRAIG, Newcastle; MJR CRANE, London Central; WP CREAN, Dublin; PC CREES, Southampton; KD CRERAR, Cambridge; CR CRISP, Birmingham; DJ CROFT, Orpington; JL CROMPTON, Liverpool; D CROOK, Manchester; LG CROOK, Derby; NAM CROOK, Coventry; JC CROPLEY, Norwich; IWD CROWE, Belfast; P CULLINANE, Dublin; KM CUMBERPATCH, Northampton; EC CUMMINS, London Central; PJ CUNNINGHAM, Carlow; PJ CURRAN, Dublin; ST CURRIE, Liverpool; AJ CURTIS, London Central; JE CZEKALOWSKA, Watford;

D

SMA D'AGATA, London East; FD D'SILVA, Kingston Upon Thames; L DALE, Stoke; A DALTON, Birmingham; AE DALY, Nottingham; C DAPAA-MENSAH, London Central; AM DARTNALL, Chelmsford; SP DASS, London North; PM DAVEY, Swindon; JP DAVID, Colombo; KR DAVIES, Watford; NM DAVIES, London Central; PA DAVIES, Wednesbury; PA DAVIES, Birmingham; YD DAVIES, Watford; CM DAWES, Watford; EJ DAWSON, Worthy Down; P DAYAL, London Central; LP DAYANANDA, Colombo; BSR DE SILVA, Colombo; DMP DE SILVA, Colombo; SR DE SILVA, Colombo; HL DE VAL, Swindon; PG DEEKS, London South; S DEERPAUL, Mauritius; SR DELVE, Taunton; CA DENCH, Slough; GK DENHAM, Hull; GSC DENMAN, London Central; IW DESBOTTES, Leeds; PM DEVANEY, London Central; BP DEXTER, Derby; MR DILAWARI, Lahore; SM DIN, Reading; RCM DINE, Cheltenham; DING SOIK KIEW, Melbourne; G DISBER GEN, Johannesburg; AJ DIXON, Wigan; G DIXON, Johannesburg; SE DIXON, Watford; SE DJILI, London West; MH DOBBS, Norwich; AW DODD, Barking; IJ DODD, Northampton; CB DOHERTY, London Central; SL DONOHUE, Newport; P DONOVAN, Chelmsford; K DOODNAUTH, Toronto; MW DOUBELL, Johannesburg; RA DOUGLAS, Northampton; J DOWNING, Kingston Upon Thames; MJ DOWNTON, Worthy Down; DJ DOYLE, Athlone; HM DOYLE, Luton; JN DOYLE, Bristol; M DOYLE, Dublin; RJ DOYLE, Waterford; RJ DU FRESNE, Cheltenham; JA DU PREEZ, Johannesburg; Z DU PREEZ, Johannesburg; CPJ DUFFY, Sligo; PJ DUFFY, Chelmsford; CM DUNSDON, Durban; KJ DURBAND, Liverpool; BT DUTNALL, Watford; A DUTTON, Slough; JM DWYER, Cork; RJ DWYER, Kingston Upon Thames; AJ DYER, Bristol;

E

KG EADES, Wakefield; HM EALES, Slough; SA EALES, Port Elizabeth; J EARP, Derby; JD EASTLAKE, Croydon; PA EATON, Chelmsford; PJ EAYRES, London Central; ARR EBINGER, Leicester; PA EDMONDS, Birmingham; RI EDSON, Leeds; DJW EDWARDS, Kingston Upon Thames; J EDWARDS, Cardiff; SJ EDWARDS, York; WH EDWARDS, Newport; JA EKSTEEN, Pretoria; LC EKSTEEN, Pretoria; OA ELEAZU, London Central; A ELLIOTT, Glasgow; S ELLIOTT, Oxford; CS ELLIS, Swindon; LH ELS, Johannesburg; SM EMMINS, London Central; R ETMAN, London Central; BJ EVANS, Liverpool; CJ EVANS, Watford; DG EVANS, Worthy Down; DK EVANS, Swansea; M EVANS, Newport; PM EVANS, Northampton; SA EVANS, London Central; SJ EVANS, London South; AE EVERINGHAM, Leeds; BP EXLEY, Wakefield;

F

CJ FALLON, Dublin; R FARBER, Johannesburg; AM FARRELL, Dublin; NR FARRELL, Liverpool; DT FARROW, Norwich; AJ FENNELLY, Winchester; JM FERN, Cheltenham; ACA FERNANDO, Colombo; GG FERNANDO, Colombo; PAR FERNANDO, Colombo; WAT FERNANDO, Colombo; JC FIELDING, London East; JW FIRTH, Kingston Upon Thames; TM FIRTH, Cheltenham; RN FISK, Manchester; CM FITZPATRICK, Dublin; DJ FITZSIMONS, Dublin; BJ FLANAGAN, Nottingham; MG FLEMING, London Central; SD FLITCROFT, Manchester; JE FLOATE, Londn South; RAL FLOOD, Dublin; DW FLOYD, Newcastle; KM FLYNN, Dublin; SP FLYNN, Leeds; JT FOLEY, Athlone; SMC FOLEY, Waterford; FONG KIAN MUN, Kuala Lumpur; RMF FONSEKA, Colombo; FOO LOKE SING, Kuala Lumpur; FOO YUNG CHEAN, Kuala Lumpur; TG FORD, London Central; MJ FOREMAN, London West; SA FORSYTH, Cambridge; YTC FOSTER, Wigan; A FOTHERGILL, Newcastle; DA FOURIE, Durban; AS FOWLER, London Central; MMJ FOWLER, Edinburgh; H FOWWEATHER, London South; SJ FRANCIS-LOVE, London Central; PI FRANKLIN, London Central; MC FRANKS, Ipswich; YJ FREEMAN, Nottingham; DM FRENCH, Derby; GL FROST, Slough; AP FUNKEY, Johannesburg;

G

JP GADD, Southampton; R GAGLIARDI, Nottingham; CS GALLAGHER, Dublin; AC GALLANT, Norwich; DG GALLOWAY, Edinburgh; GVG GAMAGE, Colombo; GAN CHOO MOY, Singapore; D GARDINER, Newcastle; SR GARGA, Port Moresby; KA GARLAND, Birmingham; EM GARVIE, London West; MRT GAULT, London East; AJW GAY, London West; NS GEOGHEGAN, Liverpool; AM GIBBS, Winchester; CP GIBBS, Taunton; AJ GILFILLAN, Coventry; KR GILL, Newcastle; ST GILLESPIE, Belfast; LD GILLETT, Birmingham; PJ GILLILAND, Sheffield; K GILLON, London West; KP GILMARTIN, London North; AC GLENHOLME, Preston; GPI GNANASENA, Colombo; GOAY NGEE CHIEW, Kuala Lumpur; NH GODAHEWA, Colombo; JC GODDARD, London West; I GODDING, Kingston Upon Thames; JJ GODLONTON, Cape Town; A GOLLAN, London Central; JF GOMER, London Central; DS GOODALL, Bristol; DC GOONERATNE, Colombo; RE GOONESINGHE, Colombo; DA GORDON, London Central; BM GORMLEY, Taunton; SEP GOULD, Bristol; K GRAHAM, Glasgow; ML GRAHAM, Glasgow; DG GRANT, Manchester; RK GRAY, Nottingham; MD GREAVES, Kingston Upon Thames; CM GRIFFIN, Johannesburg; SJ GREEN, Reading; R GREEN, Leicester; AP GREENAN, Dublin; L GREER, Middlesbrough; JRT GRIFFITHS, Deeside (North Wales); MT GRIFFITHS, London West; PB GROVE, Newport; I GUERIN, Slough; J GULWADI, Port Moresby; SRK GUNASEKERA, Toronto; DNA GUNEWARDENA, Colombo; SSA GUNEWARDENA, Colombo; CS GUNN, Northampton; SP GUNNING, Athlone; M GURBUTT, Norwich; A GUREWAN, Mauritius; CP GUTHRIE, Chelmsford;

H

N HADDON, Newcastle; R HADDOW, Newport; ME HAGGLUND, Durban; W HAIDER, London Central; G HALDANE, Bristol; AC HALL, Swindon; RI HALL, Nottingham; JPD HALLAHAN, Dublin; DA HALLAM, Nottingham; PJ HALLETT, Bristol; RC HALLETT, London Central; B HAMILTON, Middlesbrough; PC HAMILTON, London Central; CVZ HAMMAN, Johannesburg; RW HAMPSON, Winchester; PG HANCOCK, London West; RE HANCOCK, Reading; MA HANKINS, Manchester; MM HANLON, London Central; GM HANNON, Dublin; N HANRAHAN, London West; C HARDING, Manchester; WA HARKER, Southampton; ME HARLING, London Central; AE HARMAN, Watford; AO HARMANN, Dublin; LM HARRINGTON, Croydon; AS HARRIS, London East; IFT HARRIS, London Central; HN HARRISON, Deeside (North Wales); K HARRISON, Deeside (North Wales); M HARRISON, Derby; GV HARTE, London Central; CLC HARTNETT, London Central; GA HARVEY, Southampton; GA HARWOOD, Blackburn; CC HAUGHEY, Nottingham; CE HAW, London West; SL HAWKES, Swansea; NJ HAWORTH, Newport; BM HAYES, London Central; LG HAYES, Dublin; KR HEANEY, Southampton; GF HEGARTY, London East; S HENKEL, Nottingham; AP HENRY, London Central; MR HEPWORTH, Deeside (North Wales); EP HERBERT, Croydon; DSL HEYWOOD, London East; MA HICKMAN, Wigan; N HIGGINS, Cork; K HIGHTON, Liverpool; MR HILL, London North; RKJ HILL, Worthy Down; RM HILL, Reading; CM HIND, Newcastle; CW HINDLE, Reading; AT HINDS, London West; P HINTON, Watford; B HIRSCH, London Central; HO PIK SHAN, Kuala Lumpur; A HO YUK NGOR, Hong Kong; RI HODGE, London South; D HODGSON, Middlesbrough; EL HODSON, Cambridge; DM HOLLINGSHEAD, Leicester; SC HOLLINS, Manchester; ZM HOLLIS, Northampton; NC HOLMES, Manchester; JS HOLT, Croydon; H HOOKINGS, Slough; J HOPKINS, Middlesbrough; KP HOPKINS, Middlesbrough; JA HORNE, Birmingham; MD HORNE, Blackburn; G HORNUNG, Sheffield; R HOSTFORD, Leeds; C HOUGHTON, Slough; NS HOURICAN, Slough; AJ HOWARD, Sheffield; SM HOWELL, Croydon; IM HOWELLS, London Central; RA HOWSEN, Watford; AH HOY, Stoke; BR HOY, Newcastle; KA HOYLES, Cheltenham; HUANG BOON CHONG, Kuala Lumpur; DL HUGHES, Watford; GJ HUGHES, Nicosia; S HUGHES, Dublin; T HULSE, Manchester; TR HUMPHREY, Newport; GRY HUNT, London East; JA HUNT, Wigan; S HUNTER, Preston; AM HUTCHINGS, Birmingham; BJ HUTCHINGS, Luton; PL HUTCHINGS, Bristol; T HUTCHINSON, Leeds; RD HYDER, Reading;

I

M IBRAHIM, Penang; J IDDON, Preston; VA IHALALANDA, Colombo; S INBAKUMAR, Barking; KWK IP, Hong Kong; BR IRVINE, Johannesburg; ME IRWIN, Jersey; KAD IVAN, Colombo;

J

EAB JACKSON, Kingston Upon Thames; JA JACKSON, St Austell; DJ JACOB, Dublin; HK JAGPAL, Middlesbrough; J JALIL, London Central; IC JAMES, Blackburn; MA JAMES, Aberdeen; TR JAMES, Islamabad; SL JANES, Oxford; PRC JARRETT, London West; PA JARVIS, Birmingham; DI JAYARATNE, Colombo; DAA JAYASEKARA, London Central; PSM JAYASEKARA, Colombo; R JAYASINGHE, Colombo; NP JAYASURIYA, Colombo; AH JAYAWARDANA, Colombo; WMC JAYAWEERA, Colombo; K JEEWON, Mauritius; CN JEFFREY, Belfast; N JEFFREY, Southampton; T JENKINS, Newcastle; MC JENKS, Blackburn; JL JENNINGS, Newport; RK JENNINGS, London West; AJC JENSON, Colombo; TJ JESSETT, Reading; S JEYAKUMAR, Colombo; J JEYARAJAH, Colombo; E JIAGGE, London South; MR JIFFREY, Colombo; AN JOHN, Colombo; TG JOHNS, Deeside (North Wales); GA JOHNSON, Newcastle; MR JOHNSON, Bournemouth; NS JOHNSON, London South; GK JOHNSTONE, Slough; AP JONES, Cheltenham; CJ JONES, Liverpool; CL JONES, Cardiff; DJ JONES, Kingston Upon Thames; EM JONES, Slough; GA JONES, Deeside (North Wales); KE JONES, Deeside (North Wales); PD JONES, St Austell; RC JONES, Watford; SL JONES, Kingston Upon Thames; TA JONES, Reading; D JOSEPH, Nottingham; OHW JOSEPH, London Central; F JOYCE, Dublin; JE JUDD, Kingston Upon Thames; JM JUKES, Maidstone;

K

C KALE, Norwich; RS KALER, Slough; EC KAMBWIRI, London South; B KANAGASABAI, Colombo; R KAPOOR, Bombay; E KARUNARATNE, Colombo; N KATHIRESAN, Kuala Lumpur; NJ KEARLEY, Slough; L KEARNS, Preston; DM KEATING, Wigan; AJ KEEGAN, London West; JC KEELING, Dublin; BA KEENAN, London Central; M KEESHAN, Athlone; MT KELLETT, Dublin; F KELLY, Blackburn; FM KELLY, London Central; MA KELLY, Limerick; DJH KENDALL, Wednesbury; J KENNY, Toronto; RE KENTLETON, Liverpool; DJ KERRY, Nottingham; S KHAN, London West; KHAW TENG TEE, Orpington; GS KIBBLE, Coventry; PM KILKELLY, Cambridge; SA KILLIAN, Newport; SJ KILLICK, Pretoria; SJ KIMBER, Bournemouth; AM KING, Sheffield; J KING, Sheffield; P KING, Liverpool; AA KINGE, Winchester; AM KIRBY, Coventry; ME KIRKBY, London West; SE KITCHING, Leeds; RJ KITTERIDGE, Brighton (Hove); D KITTMER, Newcastle; PJ KOEKEMOER, Johannesburg; KOH SIEW KEM, London North; KOK TIONG YUN, Singapore; JKT KOTHARI, Kuala Lumpur; CM KOTZE, Johannesburg; KUAN YIK YEAN, Kuala Lumpur; K KUFFOUR-DUAH, London Central; A KUMAR, London North; R KUNJUVAREED, London North;

L

LAM KAH FOONG, Kuala Lumpur; LAM SOON KONG, Kuala Lumpur; GE LAMB, Norwich; KL LAMB, Leicester; MP LAMING, Gaborone; JMA LANDY, London Central; EA LANGAN, London East; PM LANGDALE, Kingston Upon Thames; J LANGLEY, Liverpool; AJ LARCOMBE, Chelmsford; PG LARKIN, Athlone; DS LATIMER, Newcastle; NRE LAUDER, London North; K LAVENDER, Brighton (Hove); P LAW KWAI WENG, Singapore; LAW PUONG KWOK, London Central; AB LAWLESS SUTTON, London Central; JG LAWLOR, Reading; KM LAWS, London Central; AY LE MARQUAND, Slough; D LEACH, London West; JA LEARMAN, London Central; P LEDGER, Hong Kong; GL LEE, Wigan; JC LEE, Edinburgh; MJ LEE, Maidstone; LEE BENG YEW, Kuala Lumpur; S LEE CHING CHING, London Central; LEE CHONG YIEN, Kuala Lumpur; LEE CHOY YIN, Kuala Lumpur; LEE JOO KIN, Kuala Lumpur; LEE KENG MUN, Kuala Lumpur; LEE LAI FUN, Singapore; LEE PEI FENG, Kuala Lumpur; LEE POH HUA, Kuala Lumpur; LEE POH SING, Singapore; LEE WAN TENG, London Central; LEE WEE LIM, Singapore; LEE YORK SOO, Penang; DMF LEESE, London Central; AP LEESON, Orpington; SC LEGG, Middlesbrough; MV LEHANE, London Central; HC LEMAITRE, London Central; LEONG CHIN HUON, Kuala Lumpur; LEONG LAI SEE, Kuala Lumpur; LEOW CHEE LEONG, Kuala Lumpur; JL LESLIE, Reading; R LETCHFORD, Croydon; BA LEWIS, Wakefield; JA LEWIS, London Central; JW LEWIS, Pretoria; PSY LEWIS, Luton; R LEWIS, Liverpool; RW LEWIS, Bournemouth; A LIANOS, Pretoria; R LIEBE, usa; LIM CHEE MING, Kuala Lumpur; LIM CHIEW BENG, London North; LIM ENG ANN, Penang; LIM GAIK BEE, London Central; LIM SIONG LOONG, Singapore; LIM TECK SENG, Kuala Lumpur; LIM YEW SI, Singapore; LING LEI DUAN, Kuala Lumpur; DJ LIPSON, Manchester; JG LITTLE, Worthy Down; D LIU, London South; CL LOADER, Liverpool; J LOGAN, Liverpool; LOH SAU HAN, London Central; LOH YEAT CHUNG, Kuala Lumpur; MA LOMBARD, Bournemouth; B LONG, London South; DA LOTZ, Durban; MVW LOUW, Potchefstroom; LOW CHAN FAI, Kuala Lumpur; AJ LOWE, Luton; AM LOWE, Dundee; T LUBLINER, London West; LC LUDLOW, Newport; PS LUDWICK, Colombo; SWJ LYDDON, Preston; JE LYNCH-AIRD, Ipswich; WJJ LYONS, Southampton;

M

E MACIA, London Central; IF MACKENZIE, Edinburgh; NJ MACKENZIE, Croydon; M MACLEAN, Edinburgh; N MACLEOD, Watford; I MAK SIU YIU, Croydon; A MALCOLM, Slough; S MALHAN, Slough; AS MALLAWA, Colombo; FJ MALLETT, Kingston Upon Thames; S MALLIKAARATCHI, Colombo; GS MALTBY, Blackburn; K MANIVANNAN, Watford; RP MANNERS, Slough; P MANOHARAN, Wigan; S MANORANJAN, Colombo; HL MANSOUR, Leeds; DG MARCONI, Dublin; JC MARLTON, Cambridge; BCD MARR, Slough; RA MARR, Glasgow; GJ MARSH, Newport; RA MARSH, Orpington; NK MARTIN, Wednesbury; R MASON, Watford; P MASSON, Chelmsford; R MATHIVANAN, Colombo; K MATHURANGAN, Watford; GJM MATON, London Central; AD MATTHEWS, Norwich; EJ MATTOS, Brighton (Hove); M MAURICE, London East; BG MAWUDOR, London South; PM MAXWELL, Dublin; ME MAY, Ipswich; C MAYO, Slough; RE MC QUAID, Preston; KJ MCATEE, Cheltenham; E MCCONNELL, Johannesburg; JA MCCORMACK, Athlone; MJ MCCORMACK, Cork; WJ MCCOUBREY, Peterborough; MB MCCUE, Manchester; RM MCDERMOTT, Reading; MJ MCDIARMID, Luton; NT MCDOUGALL, Winchester; FJ MCGIVNEY, Waterford; S MCGLADE, Middlesbrough; KL MCGOWAN, Reading; JN MCGRATH, Coventry; KC MCGREGOR, Taunton; S MCGREGOR, Worthy Down; AM MCGROARTY, Wakefield; PT MCGUINNESS, Birmingham; SG MCHARG, Leeds; CV MCHUGH, Kingston Upon Thames; DE MCKAY, London Central; ICS MCKENZIE, London Central; AM MCKEON, London Central; SL MCKINNON, London Central; PD MCLAUGHLIN, York; G MCMAHON, Dublin; WJ MCMANUS, Worthy Down; SJ MCMENAMY, Luton; AD MCMICHAEL, London West; BW MCNAMARA, Dublin; C MCQUILKIN, Belfast; PA MEAKINS, Derby; AR MEDD, London Central; EJ MELIA, Wigan; DJ MEREDITH, Nottingham; AT MESSAGE, Cambridge; M METCALFE, London South; I MIAN, London Central; IA MIDDLETON, London West; SHS MILAMBO, London East; IA MILLER, Worthy Down; JR MILLER, Maidstone; NP MILLER, Luton; TE MILLER, Belfast; JD MILLINGTON, Birmingham; CR MILLS, Manchester; BS MINKOWITZ, Johannesburg; RR MISTRY, London East; V MISTRY, London West; HJ MITCHELL, Swindon; T MKALA, London Central; AC MOHAMED IRZAN, Colombo; MH MOHAMMED TAIB, London Central; FI MOHIDEEN, Colombo; PJ MOLLOY, Dublin; I MOLYNEUX, Wigan; SI MONCUR, Swindon; RP MONHAM, Maidstone; WD MONK, Grimsby; KL MOORE, Cheltenham; CH MORGAN, Cambridge; LA MORGAN, Reading; NGA MORRIS, Hamilton; JR MORRISH, Leeds; IM MORSE, Cheltenham; AA MORTON, London Central; VA MORTON, Bournemouth; AC MOSS, Leeds; AG MOSS, Nottingham; M MOUSSA, London South; M MUHAMMAD, Kuala Lumpur; AC MUIRHEAD, Edinburgh; CK MUKWASHI, Bulawayo; AM MULHEARN, Worthy Down; WD MULLER, Cape Town; MW MULLIGAN, Colombo; N MURDY, Newcastle; AJ MURFIN, Nottingham; PG MURISS, Kingston Upon Thames; DJ MURPHY, Douglas; EM MURPHY, Waterford; GP MURPHY, Waterford; KD MURPHY, Dublin; AD MURRAY, London Central; J MURRAY, Coventry; JD MURRAY, London South; KD MURRAY, Nottingham; PM MURRAY, Coventry; DZ MUSA, Lagos; P MYERS, Manchester;

N

VG NAIR, Slough; GC NAKER, Leicester; CJ NALLY, Dublin; NJ NAQVI, Brussels; M NARAYANAN, Hong Kong; SJ NASH, Coventry; TM NASH, Paris; R NATHOO, Mauritius; PFX NAUGHTON, Dublin; SS NAYER, Croydon; AP NAYLOR, Manchester; D NEALE, Manchester; P NEELENDRA, Kingston Upon Thames; HD NEL, Cape Town; L NELSON, Newcastle; N NEMINATHAN, London Central; AM NEWLAND, Nottingham; CS NG, Kuala Lumpur; NG HOCK HOOI, Kuala Lumpur; NG HOW DOO, Singapore; NG IM KIENG, London Central; NG KIEN TIONG, Kuala Lumpur; NG POH WAN, Kuala Lumpur; NG SOR LUAN, Kuala Lumpur; NG WENG YUEN, London East; NGOOI SOK LING, Kuala Lumpur; FM NICHOLL, Hamilton; GR NICHOLLS, London Central; FP NIGHTINGALE, London South; Y NITHIANANDAN, London South; MM NIZAMUDEEN, Colombo; P NJOVU, Derby; SR NOBBS, Norwich; AO NOLAN, Athlone; DP NOLAN, London Central; JE NORTH, London South;

O

HF O'BRIEN, Manchester; L O'BRIEN, Newcastle; PJ O'BRIEN, Luton; CJ O'CONNELL, Northampton; ME O'CONNELL, Cork; AJ O'CONNOR, London Central; DP O'CONNOR, Stoke; JP O'CONNOR, Cork; E O'DOWD, Croydon; A O'DWYER, London South; JA O'HAGAN, Wigan; JA O'HARA, London South; R O'LOUGHLIN, Lusaka; JA O'NIONS, Norwich; GDT O'SULLIVAN, Swansea; PC O'TOOLE, London Central; PG OATES, Chelmsford; LW ODDIE, Blackburn; J OGDEN, Southampton; MS OLAVESEN, London Central; SC OLIVER, Taunton; NM OMAMBALA, London South; LM ONAMUSI, Brighton (Hove); ONG BEE YONG, Kuala Lumpur; ONG LIAN SOON, Kuala Lumpur; ONG SENG PIOW, Kuala Lumpur; ONG SIEW WAH, London South; ONG TEE CHIN, Kuala Lumpur; OOI BENG HONG, Kuala Lumpur; OOI BONG MOOI, Penang; OOI LENG CHOOI, Kuala Lumpur; RA OOSTHUIZEN, Durban; CMA ORTON, Slough; CE OTTER, Brighton (Hove); R OTUORIMUO, London South; RH OVEREND, Leeds; SDA OVERY, Brighton (Hove); IF OWEN, Manchester; K OWENS, Dublin; MJ OWENS, London Central; OA OWOJORI, London East; K OWUSU-ATTAFUAH, Barking;

P

JDL PADLEY, London West; PANG KWONG LEONG, Kuala Lumpur; J PANTER, Preston; V PARAMASAMY, Toronto; FH PAREKH, London South; RN PARKER, Leeds; RP PARKIN, Sheffield; BP PARSONS, London West; DJ PARSONS, Croydon; M PATEL, Leicester; DWJ PATIENCE, Luton; JA PATSTONE, Birmingham; B PAYNE, Reading; GD PAYNE, London Central; KJ PEACH, Derby; G PEARCE, Cambridge; S PEARCE, London South; SM PEARCE, Barking; JJ PEARS, York; HMS PEIRIS, Colombo; MDN PEIRIS, Colombo; PPD PEIRIS, Colombo; JC PEMBERTON, Luton; MD PENNINGTON, Leeds; AD PEREIRA, Colombo; AJ PEREIRA, Birmingham; EV PEREIRA, Colombo; GGP PERERA, Colombo; PA PERERA, Colombo; FM PERIRA, Kuala Lumpur; LJ PERKINS, London South; AC PERRY, Derby; RL PETYT, London Central; PHEE POH SUAN, Kuala Lumpur; SJ PHELPS, Cheltenham; MJ PHILLIPS, Slough; MR PHILPOT, Hull; AD PINTO, London East; GJ PIPER-MOOK, London West; ARN PIRZADA, Birmingham; MJ PLASTOW, London Central; DRJ PODGER, Deeside (North Wales); S POFF, London Central; PON SOOK KUAN, Kuala Lumpur; POON KAM CHEONG, Hong Kong; AE POTTER, Chelmsford; MN POULTER, Cambridge; A POWELL, London Central; JA POWELL, Johannesburg; AJ PRESCOTT, Liverpool; KJ PRICE, London Central; MR PRICE, London East; RM PRICE, Cardiff; EM PRINCE, London South; MA PRINGLE, London Central; M PRITCHARD, Coventry; GND PUGH, Birmingham; S PURCELL, Manchester;

Q

AM QUINLAN, Cork; CCP QUINN, Luton; DJ QUINN, Maidstone; PJ QUINN, Belfast;

R

T RAHULAN, Colombo; GLT RAISON, Reading; DB RAJAKARUNA, Colombo; KTP RAJAN, Madras; S RAJESH THANGIAH, Muscat; A RAJGURU, Northampton; V RAJU, Singapore; E RALPH, Barking; MJ RALSTON, London South; NB RAMDIN, Mauritius; J RAMOO, Mauritius; R RAMSAY, Glasgow; D RANATUNGA, Colombo; R RANDHAWA, Slough; SV RATNASEKERA, Colombo; DNK RATNAYAKA, Colombo; DT RATTIGAN, Liverpool; DJ RAWSON, Wakefield; JH RAY, Cardiff; JC READING, Reading; P REED, Newcastle; SH REED, Aberdeen; MK REEHAL, Barking; RJ RENWICK, Northampton; J RESTALL, Barking; PE REWRIE, Cambridge; DN REY, London Central; EM REYNOLDS, Bristol; G REYNOLDS, London North; MS REYNOLDS, Newcastle; PM REYNOLDS, Sligo; AJ RICHARDS, Coventry; EL RICHARDS, Reading; JA RICHARDS, Reading; JM RICHARDS, Swindon; PB RICHARDS, York; SH RICHARDS, Cheltenham; DL RICHARDSON, Croydon; FDG RICHARDSON, Dublin; JM RICHARDSON, Orpington; PJ RICHARDSON, London Central; JM RICHIUSA, Preston; PJ RICKETTS, Derby; PE RICKMAN, Winchester; JP RIDGE, Manchester; H RIGHTON, Coventry; MP RILEY, London West; PEM RILEY, London South; SA RIMMER, Wigan; PJ RIVERS, Watford; EM ROBB, London Central; D ROBBINS, Sheffield; ME ROBERTS, London Central; DSG ROBERTSON, London Central; IR ROBERTSON, Edinburgh; A ROBINSON, London Central; CJ ROBINSON, Watford; CJ ROBINSON, Liverpool; HW ROBINSON, Reading; JM ROBINSON, Reading; RP ROBINSON, Derby; J ROCKETT, Dublin; HA RODGER, Harare; AHE RODRIGO, Colombo; JC RODRIGUES, Cape Town; HE ROGERS, Orpington; LA ROTHWELL, London South; AB ROUND, Birmingham; PGC ROY, Glasgow; A RUCKLEY, Slough; P RUDRAN, Watford; P RUGHANI, London Central; RUSEERAN MF KULARATNAM, Kuala Lumpur; NT RUSH, Norwich; AA RUSSELL, London South; DM RUSSELL, Leicester; JL RUSSELL, Wakefield; MD RUSSELL, London Central; NA RUTHERFORD, Newcastle; PM RYAN, Coventry; MAP RYDER, Dublin;

S

P SADIQ, Derby; SAIFUZZAMAN ARIF, London East; NI SALMON, London Central; MH SAMSUDEEN, Dubai; NJ SAMUELS, Liverpool; SH SAN HOE KONG, Kota Kinabalu; RG SANDERSON, Slough; KK SANDHU, Maidstone; JA SANGSTER, London South; R SARAVANAN, Kuala Lumpur; SAU WAN MOK, London Central; DJ SCATTERGOOD, Coventry; A SCHNEIDER, Johannesburg; FE SCHOFIELD, Sheffield; MB SCHOFIELD, Blackburn; J SCHOLTZ, Cape Town; CH SCHUYLEMAN, London West; MG SCOBIE, Dundee; KL SCOTT, Port Elizabeth; AP SEACY, London West; JN SEATON, Leicester; SEE KIM NAI, Singapore; KJ SEEBORUTH, London South; S SEENAPEN, London East; RK SEERAM, Watford; T SELVAKUMAR, London East; SEN CHEE KEONG, London North; PA SERNA, Peterborough; A SETH, Norwich; SC SETHER, Watford; HCL SHACKLETON, London Central; AA SHAH, London Central; S SHAH, Watford; SP SHAH, London North; SHAHRIL AZLAN MOHD SHAFIE, Kuala Lumpur; SK SHARMA, Nottingham; Y SHARMA, Slough; GJ SHAW, Oxford; LA SHAW, Wigan; CA SHEEHAN, Reading; VA SHEPPARD, Brighton (Hove); N SHETE, Oxford; TM SHORT, Cardiff; GP SHUTTLEWORTH, Johannesburg; DJ SHYNE, Manchester; SIA AH TONG, Kuala Lumpur; TC SIERWALD, London West; K SILVA, Colombo; IG SILVER, London East; RJ SIMONS, Leicester; CM SIMPSON, Northampton; K SIMPSON, Coventry; KJ SIMPSON, Northampton; RRG SIMPSON, Grimsby; B SINGH, Penang; S SIRINIVASAN, Colombo; SIT CHONG KEUNG, Hong Kong; G SIVAGNANARATNAM, Colombo; MR SLATER, Manchester; P SLATER, Dublin; G SLESSOR, Aberdeen; AM SLOAN, Leeds; KC SMALE, Cardiff; FG SMART, Coventry; CS SMITH, London West; GM SMITH, Southend; JM SMITH, Croydon; MD SMITH, London Central; NP SMITH, Newport; RJ SMITH, Birmingham; SL SMITH, Cambridge; TJ SMITH, Liverpool; SOH YOKE YAN, Kuala Lumpur; WP SOHNGE, Cape Town; R SOLANKI, Southend; M SOMASEKARAN, Colombo; A SOMEFUN, London Central; SJ SONNTAG, Wellington; N SONTHALIA, Calcutta; L SOOCHIT, Mauritius; SOON BENG SUAN, Penang; AJ SOPER, Slough; P SOUTHERN, Leeds; TP SOUTHERN, London West; RM SPARKS, Cape Town; EG SPENCE, Hamilton; PJ SPENCER, Bournemouth; RL SPENCER, Newcastle; ST SPENCER, Swansea; AC SPRATT, Reading; DI SPRUCE, Southampton; V SRINIVAS, Gaborone; JP STACK, Dublin; HJ STEELE, Glasgow; RA STEELE, Edinburgh; IM STEER, Middlesbrough; CJ STEPHENS, Stoke; DR STEPHENS, Sheffield; FJ STEPHENSON, Manchester; LM STEPHENSON, Sheffield; L STEVENS, London Central; JY STEVENSON, Slough; KL STEVENSON, London South; L STEVENSON, Edinburgh; M STINCHON, Blackburn; PJ STOCK, Reading; EJ STODDART, Worthy Down; MA STONER, Sheffield; AJ STOREY, Newcastle; JE STOUT, London South; NJ STRANGER, Watford; R STREICHER, Johannesburg; JM STRONG, Bristol; JL STRUDWICK, Brighton (Hove); ST STUBBINS, Sheffield; DJ STUBBS, Worthy Down; KC SUBASINGHE, Colombo; R SUBHANI, Luton; SR SUBRAMANIAN, Gaborone; PA SULLIVAN, Watford; PR SULLIVAN, Liverpool; LCP SURIYAPPERUMA, Colombo; JC SURMON, London East; RJ SUTCLIFFE, London Central; JE SUTTON, Watford; KJ SUTTON, Coventry; A SWAIN, Nottingham; K SWEENEY, Wigan; TL SWIFT, Birmingham; RW SWINCHATT, London North; HE SYDENHAM, Bristol; SZETO KIM HUNG, Hong Kong; J SZYMANSKI, Slough;

T

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Y

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The Chartered Institute of Management Accountants

Manufacturing

PLC Group Finance Director

Substantial package – South of England

Our client is a diversified group of manufacturing companies with a turnover well in excess of £100 million. The Group has recently undergone restructuring and there is considerable opportunity for organic growth by increasing margins on its niche value added products.

As a member of the Board, the individual will be responsible for all aspects of the financial affairs of the Group. The job will combine the need for a hands-on approach to cost control and the management of relationships with investors, bankers and the City.

We seek an experienced and capable individual with a track record of success. He or she will be a Chartered Accountant, educated to degree standard. Age is less important than experience but is likely to be in the range late thirties to mid forties, but could be older. There will be in depth experience of financial control in blue chip manufacturing organisations serving international markets. Direct experience of handling shareholder and City relationships is essential as will be credibility with the Group's bankers. For this reason, the individual is likely to be currently either Finance Director on the Board of a small to medium plc or number two in a larger group. Skills of communication and presentation will be important.

This is a career opportunity for the right individual to make a real contribution to the Group and for personal development by succeeding in what will be a high profile role.

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GROUP FINANCE EXECUTIVE

KENT
c £36,000 + CAR
+ BENEFITS

This £40m turnover engineering services plc is committed to a programme of acquisitions and has the funding to achieve ambitious plans. In response to this and the Board's mandate to strengthen the profile of the Group, there is a need to recruit a qualified accountant capable of carrying out a demanding and diverse role.

Reporting to the Group FD, responsibilities will include the creation and undertaking of an internal audit service, the performance of ad hoc group accounting tasks, the monitoring of systems and the implementation of pre and post acquisition reviews. As the role develops, it is envisaged that the Group accounting role will expand and therefore a background in taxation and/or treasury would be considered an advantage.

Candidates must be self reliant with a mature outlook. This is a high profile role requiring strength of character, well developed communication skills and the ability to liaise with senior executives both within and outside the Group.

Ideally a chartered accountant with exposure to due diligence work, it is important that you have the technical and presentation skills to thrive in this challenging and progressive environment. A minimum of three years' post qualification experience is required.

Please reply in confidence to David Kennedy or Stephen Williams at CEDAR International, 15 Bloomsbury Square, London, WC1A 2LJ. Telephone: 071 831 8383

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International Consumer Products

Financial Controller

c.£70,000 Package + Car — **Southern England**

The company is a large US multinational engaged in packaged foods and other products. It enjoys market leadership positions in most of its core product sectors, both in the US and internationally. This appointment is as Group Financial Controller, Europe, Middle East and Africa, reporting to the Vice President responsible for the group's packaged foods businesses within the region.

THE APPOINTMENT

- Functional responsibility for financial and management accounting, consolidations and management reporting
- Profit planning, budgets, forecasting and capital expenditures.
- Financial review and performance monitoring.
- Active involvement in formulation of business strategy
- Functional guidance to operating units in the region.
- Tax management, treasury and foreign exchange issues.

THE REQUIREMENTS

- At least eight years' commercial experience, probable age range early 30s to 40, with a relevant accountancy qualification.
- Commercial acumen, business vision and a strong but flexible personality.
- Experience in cost accounting in manufacturing companies (ideally fmcg)
- Exposure to international operations and ideally US corporate accounting methods
- Second European language an advantage.

Please write with a full CV and salary details, quoting reference 4908/C, to Robert Leroy, **K/F Associates**, Pepys House, 12 Buckingham Street, London WC2N 6DF by 28 February 1994.

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The team liaises closely with traders and senior management. Its key responsibilities include risk monitoring and analysis, provision of management and trader support information, assisting in new product development and interfacing with Operations, IT and Finance departments ensuring that the business needs are understood and met.

The successful candidate will probably be a recently qualified accountant with some exposure to equity markets and derivative products and will have excellent quantitative and communication skills with a high degree of business awareness.

Please contact our retained consultant Simon J. Clarke at Harrison Willis on 071-629 4463 (evenings & weekends 081-769 1969) (Fax: 071-491 4705) or write enclosing a full curriculum vitae to the address below.

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Cardinal House, 39-40 Albemarle St., London W1X 3FD. Tel: 071-629 4463

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As Accounting Manager, you will control all the day-to-day activities of the central accounting function, ensuring total compliance with management and statutory requirements at all times. Leading and motivating a large accounts team you will continually be looking to optimise efficiency and accuracy throughout the company at all times.

A first-class graduate with first-time ACA passes you will have several years post qualification experience. You'll also need a strong, but approachable personality along with a highly disciplined approach and work ethic.

In return you can expect a salary of up to $45K and a wide range of company benefits.

Please send full cv quoting Ref: N1623 to Alyson Essex, MSL International Limited, 32 Aybrook Street, London W1M 3JL.

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Communications Industry

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For this rapidly expanding and innovative company at the leading edge of the communications industry. The financial backing of a major international group is reflected in the significant capital investment being made. Turnover for the business is rapidly approaching £100m, having doubled each year since 1991 and this growth is expected to continue over the next five years. The company's present internal audit activities are to be strengthened by the appointment of an experienced and professional Internal Auditor.

Based at the Group Head Office, your brief will be to ensure that an effective financial and operational audit capability is provided across each of the operating businesses. You will be expected to review policies and procedures for internal control and provide recommendations to improve operational efficiency. As the function develops it is likely that you will assume management responsibilities for a small team.

A chartered accountant, probably in your mid to late 20s, with first hand knowledge of control procedures and review techniques, probably gained from within one of the 'big six' professional firms. Your experience will ideally have included working with rapidly developing, entrepreneurial new businesses and emerging technologies. An assertive and strong character with the skills to persuade and communicate, you will possess the stature and credibility to actively influence change. A working knowledge of French would be a distinct advantage.

Please send full personal and career details, including current remuneration and daytime telephone number, in confidence to Ann Shepherd, Coopers & Lybrand Executive Resourcing Ltd, 1 Embankment Place, London WC2N 6NN, quoting reference AS1013 on both envelope and letter.

The Top Opportunities section appears every Wednesday. For *more information please call* Philip Wrigley on 071-873 3351.

Retail Accounting Manager

London — Imperial Cancer Research Fund — **£35,000 to £40,000**

The Imperial Cancer Research Fund is a registered charity engaged in research into the causes, prevention, treatment and cure of cancer. An income of over £55m in 1993 from legacies, investments and shops was expended primarily on research by nearly 1000 scientists in over 20 UK locations. Over £6.5m of the ICRF's income in 1993 was generated by its 470 shops, which produced some £24m in gross sales revenue.

Reporting to the Head of Finance, with a functional link to the Head of Retailing, you and your team of 7 will be responsible for providing a comprehensive accounting service for the ICRF's retailing activities. This will include assisting and advising the Head of Retailing on financial issues arising in the operational management of the shops. Your broad and challenging brief will encompass daily reporting on performance by site; ensuring the efficiency of financial control and reporting systems; and monitoring the acquisition of new sites. This will require close liaison with other financial staff and external advisers as well as all levels of regional staff and colleagues in the retailing, property, and IT departments.

To meet the demands of the role effectively you will need to have acquired a minimum of five years' broad accounting experience at management level. This will embrace budgeting, planning, management accounting, computerised accounting systems and the use of PCs. Retail experience is not essential but would be an advantage. In addition, you will have a practical, hands-on approach and the ability to manage a high volume of throughput with limited resources. Good management and communication skills, proven commercial flair and a recognised accounting qualification are essential.

Please reply in confidence, quoting reference 1725, to Richard Holland at the address below. Please include a CV, full salary details and a daytime contact number

BDO

BDO Consulting, 20 Old Bailey, London EC4M 7BH. Telephone 071-489 6244.

Lady Margaret Hall
University of Oxford
Treasurer

The College intends to appoint a Treasurer to take up office on 1 July 1994 or as soon as possible thereafter. The Treasurer is the senior financial and administrative officer of the College, and will be elected to a Fellowship of the College, held concurrently with the Treasurership. He or she will be responsible to the Governing Body for financial administration, and will be centrally involved in College policy-making and planning.

The salary will be on a scale ranging from £30,000 - £35,000, and appointment will be for two years in the first instance. Further particulars are available from the Principal's Secretary.

Applications (10 copies) should be sent to the Principal's Secretary, Lady Margaret Hall, Oxford OX2 6QA. Tel. (0865) 274302, fax (0865) 511069 by 11 March 1994. Applications should be accompanied by a full curriculum vitae and the names, addresses and telephone numbers of three referees whom the College can contact immediately.

FINANCIAL DIRECTOR

To £40,000
+ Car
+ Bonus

Manchester

This is an exceptional opportunity to play a significant role in the fast growth of this £10 million turnover business. The company is one of the UK's leading manufacturers of industrial closed circuit TV equipment and a subsidiary within a publicly quoted group.

Reporting to the Managing Director, responsibilities will include -

- Control of all aspects of financial administration and reporting
- Full involvement in strategic planning and business development
- Extensive commercial liaison with customers and suppliers and responsibility for commercial advice in all areas of the company's activities
- Selection and implementation of an integrated MIS solution

The successful candidate will be a qualified Accountant, aged 35-45 who has achieved positive commercial impact at Board level in a manufacturing environment

Personal qualities will include a dynamic personality and the ability to achieve results and communicate effectively at all levels. In return, the company offers a generous remuneration package and exciting future prospects.

Interested individuals should write, enclosing CV, to Martin Morgan at Robert Half, Brook House, Spring Gardens, Manchester M2 2BQ Telephone 061-236 0101 Fax 061-236 1024

As retained consultants, any CV's submitted directly to our client will be forwarded to Robert Half

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MS

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A rapidly growing ship management company acting exclusively for overseas principals is seeking a Financial Controller to oversee the financial management and accounting functions of the fleet and the office.

Candidates should be qualified accountants aged 35-42 with shipping experience, computer literacy and good management skills. This is an excellent opportunity for the right candidates with initiative and ambition.

Please apply in writing quoting reference 21393 (closing date 21 February 1994) enclosing cv and salary details to:

Susie Becker, Moore Stephens, St. Paul's House, Warwick Lane, London EC4P 4BN

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IN BRIEF

Red-faced steel group in the black

Klöckner Stahl, the Cinderella of the German steel industry, is embarrassed by being back in the black as a viable, profitable integrated steel plant, thanks to a drastic reduction in its debt burden, and harsh job cuts. Page 18

DnB records its first profit
Den Norske Bank, Norway's biggest bank, has recorded its first profit since its formation in 1990 from the merger of Den norske Creditbank and Bergen Bank. Page 18

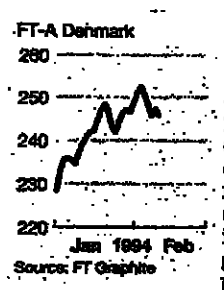
Spectrum to sue Sculley
Spectrum, the little-known US computer group, charges Mr John Sculley, former chairman and chief executive of Apple Computer, with breach of contract, breach of fiduciary duty, mismanagement and theft of trade secrets. Mr Sculley claims he was duped into joining the group.Page 20

Western Mining bats better
If Hugh Morgan, the controversial boss of Western Mining Corporation, is fazed by calls for his head, his style gives nothing away. He is batting on an improving wicket. Page 21

Lamborghini goes east
A consortium of businessmen from Malaysia and Indonesia are putting the finishing touches to a deal believed to be worth in the region of $40m giving them full control of the Lamborghini marque. Page 22

Statoil ahead 21%
Statoil, the Norwegian state oil company, yesterday reported a 21 per cent advance in 1993 pre-tax profits, boosted by a reduction in operating costs, improved financial results and a good performance by the securities portfolio. Page 22

Great Danes



Source: FT Graphite

The performance of shares listed on the Copenhagen stock exchange may not match that of other Nordic countries over the past year, but given that profit expectations for Danish companies have received no boost from foreign exchange depreciation, it remains remarkably good. Analysts predict profits rises of 13 per cent in 1994 and 19 per cent in 1995. Back Page

Harry Ramsden's surges
Harry Ramsden's, the UK fish and chip restaurant operator, increased pre-tax profits 34 per cent on sales ahead 15 per cent. The group has eight restaurants in the UK and plans another five this year. The Hong Kong restaurant is to be followed by others in Singapore, Melbourne and Jeddah. Page 25

Amstrad may go into the red
Mr Alan Sugar, chairman of Amstrad, warned shareholders yesterday that the consumer electronics group might report a full-year loss. Page 26; Lex, Page 16

Lloyds Bank mantle slips
Lloyds' mantle as the most successful UK bank shows signs of slipping. Page 27

Companies in this issue

Market Statistics

Chief price changes yesterday

FRANKFURT (DM)			
Rises			
BMW (Br).	803	+	26
BHF Bank	458	+	11.5
Klockner Werke	135	+	10
Mercedes Hld	812	+	20
PWA	239	+	12
Falls			
Lahmeyer	702	–	21

NEW YORK ($)			
Rises			
Columbia Hlth	39	+	1⅜
Cummins	53¼	+	1¼
HCA	40⅞	+	1¼
Falls			
Chrysler	59⅞	–	1½
Ford	66⅛	–	2¾
General Motors	62⅞	–	1⅜

PARIS (FFr)			
Rises			
Credit Nat	695	+	13
GaumontSoc N	935	+	21
Matra-Hachette	176.4	+	5.1
Peugeot	870	+	23
Radiotechn	541	+	39
Falls			
Taittinger	2840	–	160

TOKYO (Yen)			
Rises			
Brother Ind	585	+	55
Chuo Wool Mills	690	+	72
Tabai Espec	1200	+	130
Tokai Senko	820	+	100
Zexel	640	+	60
Falls			
Nippon Seiro	340	–	29

New York prices at 12.30pm

LONDON (Pence)			
Rises			
Abbott Mead V	695	+	22
Ashtead	409	+	27
Atwoods	164	+	6
Bluebird Toys	755	+	21
Carlisle Grp	29½	+	2½
Cohen (A)	453	+	23
Comp Fin Sol	155	+	7
Danka Business	376	+	21
Electron House	164	+	6
Euro Disney	400	+	15
Flying Flowers	97	+	5
Norbain	339	+	17
Scooby Kids	85	+	9
Trans World	135	+	7
Yorks-Tyne T TV	330	+	20
Falls			
Amstrad	40¾	–	4¼
Canning (W)	185	–	8
Dawson Intl	134	–	7
E Midlands Elec	675	–	21
Jessups	96	–	20
London Elec	688	–	21
PowerGen	525	–	17
Redland	598	–	21

Volvo moves to sell non-core arms

By Christopher Brown-Humes in Stockholm

Volvo yesterday underlined its new commitment to core vehicle activities when it announced the sale of its entire stake in Custos, an investment group, for SKr1.74bn ($216m).

It is the group's first big disposal since its plans to merge with the French vehicle maker Renault collapsed in December.

The sell-off will produce a capital gain of SKr916m. Volvo's net debt stood at SKr14.3bn at the end of the first nine months of 1993.

The sale to Swedish and foreign institutions comprises 10.5m A shares and 1.5m B shares, equal to 25.4 per cent of Custos' capital and 29.1 per cent of its votes.

Mr Sören Gyll, Volvo chief executive, said: "The transaction is part of Volvo's concentration on its core operations and a way of reducing our debt. We believe that broader distribution of Custos' shares will benefit Custos."

Volvo bought Custos shares between 1985 and 1990 as part of an elaborate cross-ownership structure established to thwart a hostile takeover, particularly from arch-rivals in the Wallenberg family's industrial empire.

Its allies in the network were Skanska, the biggest construction group in Scandinavia and two other investment companies, Cardo and Protorp.

The alliance started to dissolve after Custos sold its 9 per cent holding in Volvo last year and it is likely that it will disintegrate further. Analysts now expect Volvo to sell its 47 per cent holding in Cardo and 43 per cent stake in Protorp.

Volvo, which is also steadily dismantling many of its links with Renault, sold its Custos stake for SKr145 per share. This was against a bourse price of SKr149. Skanska remains Custos's biggest shareholder.

Custos has significant stakes in a clutch of leading Swedish blue-chips. These include Skandinaviska Enskilda Banken, the leading commercial bank, SCA, the forestry company, and Skanska.

It has voting stakes of 19 per cent in SCA and Skanska and is SE Banken's biggest shareholder with 7.1 per cent of the votes and 6.8 per cent of the capital.

Ericsson profits from mobile phone sales

By Christopher Brown-Humes in Stockholm

Ericsson, the Swedish telecommunications group, more than doubled profits in 1993 on the back of booming sales of mobile phone equipment.

The company's pre-tax result climbed to SKr3.1bn ($390m) from SKr1.3bn as sales soared 34 per cent to SKr62.9bn.

The dividend was raised by SKr1 per share to SKr4.50 as income per share rose to SKr10.30 from SKr3.20.

In an upbeat statement about prospects, the group promised a further earnings increase in 1994. Mr Lars Ramqvist, Ericsson president, said: "Despite uncertainty in the international marketplace and intensified competition I feel optimistic about our development."

The pre-tax result was struck after a SKr305m extraordinary goodwill write-off. This held back profits in the fourth quarter, which only rose 5 per cent to SKr1.24bn from SKr1.18bn.

Excluding currency movements, full-year sales were up 20 per cent on 1992. Orders, also benefiting from the weaker krona, rose 27 per cent to SKr67.6bn. The intake has risen for nine consecutive quarters.

Radio communications, which includes cellular operations, has overtaken public communications to become Ericsson's largest business area. Its sales increased by more than 70 per cent last year.

Ericsson is the world leader in sales of mobile telephone systems, with a market share of more than 40 per cent for analog systems and 50 per cent for GSM digital systems.

Mobile phones would again be a key component in profits growth this year, with the public telecommunications side proving more sluggish, the group said. It warned: "There is substantial uncertainty in the international market for public telecommunications, which is characterised by lower investments and intensifying price competition, particularly in the major industrialised countries." The group hopes to compensate for this uncertainty by picking up orders in other markets, particularly Asia.

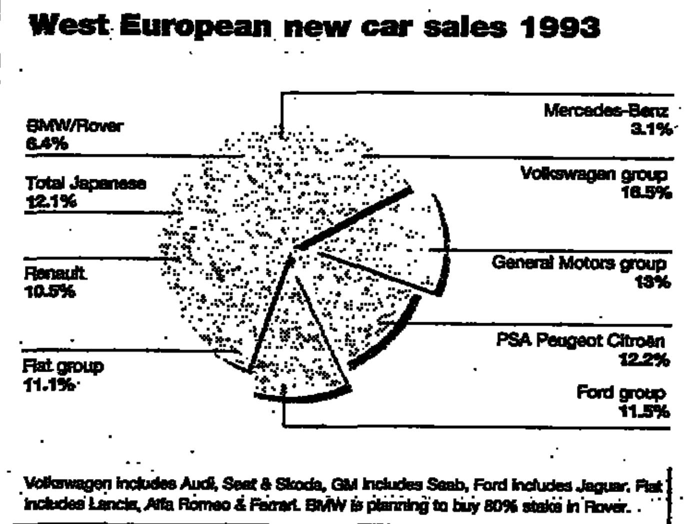
Ms Angela Dean, telecoms analyst at Morgan Stanley in London, said: "Ericsson's growth has to come on the mobile side and from improved margins. In public telecommunications, the group will have to do its best to keep sales stable while controlling costs."

Ericsson's six biggest markets are the US, Italy, Sweden, Germany, the UK and China. China is its fastest growing market, although the company has warned that the rate of growth may slow because of difficulties over financing.

Ericsson has lessons for Europe, Page 14

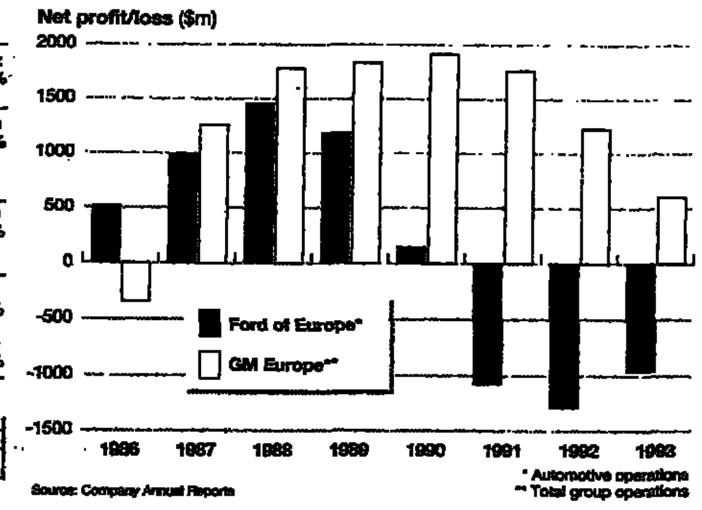
Kevin Done explains the US motor group's success in Europe

West European new car sales 1993



Volkswagen includes Audi, Seat & Skoda, GM includes Saab, Ford includes Jaguar. Fiat includes Lancia, Alfa Romeo & Ferrari. BMW is planning to buy 80% stake in Rover.
Source: Industry estimates

General Motors and Ford in Europe



Source: Company Annual Reports
* Automotive operations
** Total group operations

GM escapes worst of the slump

General Motors' European operations suffered a 54.6 per cent decline in net profits last year, but the US group is expected to remain Europe's most profitable volume carmaker.

Apart from GM, only Renault of France among the big six European volume carmakers is expected to report a profit for 1993.

Volkswagen, of Germany, and Fiat, of Italy, have both plunged into loss, while Ford, GM's US rival, disclosed this week that its European automotive operations had suffered a third successive loss in 1993.

New car sales in west Europe fell by an estimated 15.2 per cent to 11.45m last year, the steepest annual decline in the post-war period, which has left much of the European motor industry awash with red ink.

GM, now firmly established in second place in the west European new car market, has remained in the black throughout the recession, however, and it believes that the worst is over.

"The trend should be upward this year," said Mr Paul Schmidt, GM Europe finance director, yesterday. "We are counting on 1994 being more profitable than 1993."

GM said yesterday that the net profit from its European operations had declined last year to $604.7m, from $1.3bn in 1992. Its results were burdened by one-off exchange rate losses of about $450m and by some $400m in restructuring charges.

The net profit of the core Opel/Vauxhall car and light commercial vehicle operations fell to about $600m from $1.4bn. Opel fell into loss in Germany, but GM made profits at Vauxhall in the UK and in Spain.

In contrast to its fortunes in the US, where it is still a high-cost producer, GM's Opel/Vauxhall operations are among the most productive in Europe. It has gained a big advantage over Ford of Europe, for example, in the capital efficiency of its new model development programmes, and it was the first carmaker in Europe to discover the profits potential from driving down purchasing costs.

The success of its model range has allowed it steadily to increase market share – to 13 per cent last year – while avoiding the worst excesses of heavy marketing costs. Its main marque – Opel in continental Europe and Vauxhall in the UK (the cars are technically identical) – is the biggest selling single make in the west European market, and GM has achieved a more even spread of market share than any of its rivals.

While Fiat and Volkswagen are still heavily dependent on their home markets, GM has secured a share of at least 10 per cent in 12 countries in west Europe, and is among the top three in 12 out of 17 national markets.

While it moved much earlier than Volkswagen and Fiat to increase the productivity of its European operations – unfortunately the lessons only penetrated belatedly into GM's North American bureaucracy – it was still forced to cut its European workforce last year, to keep pace with the steep decline in the overall market and to bring down stock levels.

GM's overall European workforce declined to 131,000 at the end of 1993 from 141,000 a year earlier, but this includes all GM activities from EDS data processing to Hughes Electronics and vehicle components manufacture.

The workforce of the Opel/Vauxhall operations fell by 8 per cent to 85,000 (including 16,000 salaried employees) at the end of 1993, from 92,000 (including 17,000 salaried employees) a year earlier. It also imposed widespread short-time working at its European assembly plants and was forced to cut a total of 450 shifts.

GM car and light commercial vehicle production in Europe, including small volume assembly in Hungary and Turkey, fell last year by 16.9 per cent to 1,435,520.

Having started later on painful slimming courses – and with less success in the marketplace to soften the blows – GM's rivals in Europe have been forced to make more swingeing cuts in their workforces, often at the cost of sinking morale. The German auto industry, including components, lost an estimated 70,000 jobs in 1993 following a 60,000 reduction in 1992.

BP makes a return to the black

By Peggy Hollinger

British Petroleum shrugged off the effects of falling oil prices to announce a return to the black as it reaped the rewards of a wide-ranging restructuring and disposal programme.

Pre-tax profits last year on a replacement cost basis – which excludes the effects of changes in inventory values – were £896m after exceptional items, against losses of £352m for 1992. Exceptional items for the year totalled £240m. BP saw a 56 per cent improvement in comparable fourth quarter profits to £315m.

The group also substantially improved its cash flow, recording a positive contribution of £1.95bn before financing, against a £607m outflow in 1992. This was partly due to the success of BP's disposal programme which has raised more than £3bn since 1992.

Mr David Simon, chief executive, said the group had "really been tested. We have shown a steady improvement in our financial performance in spite of the oil price."

Average oil prices declined during the year by more than $2 to about $16 a barrel. In December they fell as low as $13.50, but Mr Simon said BP's significant producing assets had remained profitable. He did not hold out great hope for a revival of oil prices in the near future and said BP would have to "find a way to live in a $13 to $14 world". This would mean a greater focus on margin management, he said.

The group announced it intended to find a further $1bn savings in the next three years, but there were no firm plans for further redundancies.

The main exploration and production business returned operating profits of £1.9bn, against £1.7bn last year. Mr Simon said this had been achieved through margin management and increased gas production, as well as cost-cutting.

Refining and marketing jumped from £304m to £810m. The improvement largely resulted from £265m of cost reductions. The chemicals division was hit by historically low petrochemical prices and incurred losses of £68m, against a £24m deficit the previous year.

The fourth quarter dividend was 4.2p, for a total of 8.4p (10.5p). Earnings per share on a replacement cost basis, before exceptionals rose from 9.9p to 10.7p.

Lex, Page 18; Background, Page 21

UK company results will be scrutinised

One of the most telling UK corporate reporting seasons in years is getting under way with the investment and business communities paying even closer attention than usual to the progress of companies.

Mr Robin Aspinall, chief economist and strategist at Panmure Gordon, said: "This results season will probably tell us more about the health of companies than any other in a long while."

Shares have rarely traded at such high valuations. The price/earnings ratio of the 855 stocks in the FT-SE-A All-Share index is 25.21, implying high hopes for rapid growth in earnings.

Mr Robert Buckland, a market strategist with NatWest Securities said: "It will be more of an earnings-driven market this year than last, which was interest rate-driven."

Profits are beginning to benefit from recovery in the UK economy but its stock market has set a challenge to companies: rapid earnings growth will be difficult in a low inflation and low growth economic environment.

Thus, the City of London will pore over chairmen's outlook statements with the arrival of companies' results. Share prices will be marked down sharply on disappointing results or prospects.

A string of weak results could cause a sharp sell-off, but Mr Aspinall argues that more powerful factors are at work. Money has poured into equities as interest rates have fallen. "What really matters, is whether that cash keeps coming in."

UK results preview: Page 24

British Telecom up 8.5% on increased call volumes

By Andrew Adonis in London

Steady growth in call volumes enabled British Telecommunications to lift pre-tax profits 8.5 per cent in the three months to December 31, allowing for increased redundancy charges and other one-off items.

At £698m ($1bn), pre-tax profits were notionally down on the £705m made by the UK telecoms group in the third quarter of last year, but redundancy charges totalled £142m against £17m.

The payroll on December 31 was 164,600, 6,100 down on March. BT projects a reduction of 12,000 for this year and a similar loss next year. It has shed 80,000 posts since March 1990.

Turnover for the quarter was up 4.5 per cent at £3.43bn, and for the first nine months it was 3.9 per cent ahead at £10.2bn.

Analysts showed some concern at BT estimates that longdistance weekend call volumes had risen by only 20 per cent since rates were slashed by nearly half in early December, implying a significant revenue shortfall.

BT emphasised that the 20 per cent figure was based on only eight weeks' traffic. But analysts saw it as indicating difficulties ahead as BT is pushed into more aggressive price competition with Mercury, and with new entrants such as the cable companies.

Benefiting from lower prices and a reviving economy, inland telephone call turnover rose by 3.9 per cent in the third quarter, against 2.3 per cent for the first nine months. Increased volume outweighed the effect of discounts introduced to fend off growing competition. International traffic growth was strong, with call turnover up 8.3 per cent in the first nine months.

Earnings per share in the third quarter were 7.3p, up from 7.2p, but 6.3 per cent ahead allowing for one-off items.

BT will soon pay $3.5bn to close its deal for a 20 per cent stake in MCI, the US long-distance carrier. It stands to gain $2bn from the sale to AT&T of its stake in McCaw, the US cellular operator. At December 31 BT's gearing stood at 10 per cent on net debt of £1.38bn.

Lex, Page 16

MEPC

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February 1994

Sulzer and JM Voith in paper technology merger

By David Waller in Frankfurt

Sulzer, the Swiss engineering group, and J. M. Voith of Germany are to merge their worldwide paper technology operations. The new company will have sales of DM2bn ($1.18bn) and employ 9,000.

Voith, a family-owned company based in Heidenheim in Baden-Württemberg, said yesterday the move was a response to a drastic deterioration in the paper technology industry over recent years.

The two companies came close to reaching a similar agreement in 1991, but the deal was abandoned after disagreements within the Voith family over the nature of the co-operation. The present deal will leave Voith as a majority shareholder with a 60 per cent holding.

Voith said conditions in the paper technology industry had worsened since the merger was first mooted. This reflected the problems of paper manufacturers as well as increased competition within the sector.

The fusion would create economies of scale in production, distribution and marketing, Voith said, leading to a "substantial strengthening" of their combined activities and a return to profitability.

The companies are making a profit overall, but are losing money in the paper technology area. In the year to September 30 1992, paper technology accounted for around half of Voith's DM2.55bn turnover.

Both sides stressed the agreement affected only the paper technology area – for example, machines for making and finishing paper – and not the groups' other activities, such as equipment for hydro-electric power stations.

The merger is in line with steps taken by other machinery manufacturing companies in Germany. The sector is dominated by family-owned companies, classic "mittelstand" enterprises which have for decades resisted the pressure to consolidate to form bigger groups.

In the face of the worst downturn since the second world war, many companies are being forced to implement strategic mergers.

Metal group unit allays fears

By David Waller

Buderus, the German building material and heating technology company 80 per cent-owned by the troubled Metallgesellschaft group, said yesterday the near-collapse of the parent company had not affected its own activities.

Mr Hans-Ulrich Plaul, chief executive, said yesterday the parent's crisis had not changed how customers and suppliers sought to do business.

Buderus had no "contractual ties" with the parent company, Mr Plaul said, reiterating comments made a month ago as Metallgesellschaft's problems came to a head.

Buderus' aim was to pay all shareholders a sound dividend, he insisted.

Buderus, acquired by Metallgesellschaft as part of its purchase of the non-paper activities of Feldmühle Nobel in 1991, is commonly regarded as a jewel in Metallgesellschaft's crown, one of the more robust of the group's some 260 subsidiaries.

In its 1992-93 financial year it made pre-tax profits of DM133m on turnover of DM2.77bn. It announced yesterday profits for the three months to December of DM41m ($24.1m), up from DM30m in the comparable period.

The company has often been mentioned as a potential sale candidate for Metallgesellschaft. However, Mr Kajo Neukirchen, chief executive of the metals, mining and industrial group, has explicitly ruled out such a measure.

Another possibility is that Metallgesellschaft will reduce its stake. Mr Plaul, however, said yesterday he was not aware of any such moves.

More details are likely to emerge on February 22 when Mr Neukirchen will outline his strategy for the future of the group.

SAS to axe 2,900 jobs in shake-up

By Christopher Brown-Humes in Stockholm

Scandinavian Airlines System intends to cut 2,900 full-time jobs, one in seven of its workforce, as part of an intensified cost-cutting drive.

The aim is to slash costs by almost SKr3bn ($374m) by the middle of next year to restore profitability and meet increased competition.

The airline, which has made a loss in each of the past four years, also plans to streamline group organisation, close routes and reduce the number of aircraft types operated. Two models, the Boeing 737 and Saab 340, will disappear from its fleet.

SAS said the moves would assist future expansion plans and allow it to enter alliances or co-operation agreements with other airlines.

SAS is looking to save SKr2.02bn by the end of 1994 and a further SKr894m in the first half of next year. This expands the programme announced last November when the airline signalled savings of up to SKr2.5bn. It has already sold six Boeing 767s for a SKr800m capital gain and disposed of a 42 per cent stake in the Chilean carrier, LanChile.

"This is an ambitious and necessary action programme, on which I and my successor, Jan Stenberg, completely agree," said Mr Jan Reinas, SAS interim president. Mr Stenberg takes over as SAS president on April 1.

Tring is sued over music copies

By Michael Skapinker, Leisure Industries Correspondent

Tring International, the UK recording group, is being sued by a US company alleging unauthorised copies of its recordings appear on more than 10 per cent of Tring's albums.

In correspondence last year with the US company, K-Tel International, Tring said it based its rights to the recordings on an agreement in the US between Mr William Carr and Mr Stan Shulman. A Texas court ruled last month, in a case to which Tring was not a party, that the purported Carr/Shulman agreement was a forgery.

Tring said yesterday that the correspondence was written before it had precise details of K-Tel's allegations.

Tring faces legal action from several music groups, including PolyGram and MCA. It says the legal claims will not have a significant financial impact.

K-Tel wrote to Tring last year alleging copyright infringement. In September and October Simon Olswang, Tring's solicitors, wrote to Denton Hall, K-Tel's UK lawyers, saying Tring's right to exploit the recordings depended on the validity of the Carr/Shulman agreement.

On October 25, Tring issued a writ in the UK against K-Tel, asking for a declaration that Tring was not infringing its copyright. Last November, K-Tel issued a writ against Tring, alleging 48 of its songs – appeared on Tring albums.

K-Tel alleges that 88 of Tring's albums contain one or more of its songs. Tring's catalogue contains 800 albums.

The US District Court in Texas last month ordered Mr Carr and two other US defendants to pay K-Tel $616,300 damages.

Tring said yesterday that at the time its solicitors wrote to K-Tel last year, it did not know which specific recordings were the subject of the allegations. subsequent investigations showed that the 48 recordings did not depend on the Carr/Shulman agreement.

Cinderella of steel causes a scene

Klöckner's return to form could be embarrassing, writes **Quentin Peel**

Klöckner Stahl, the Cinderella of the German steel industry, is back in the black as a viable, profitable integrated steel plant, thanks to a drastic reduction in its debt burden, and harsh job cuts.

That was the potentially embarrassing message yesterday from Mr Hans Christoph von Rohr, chief executive of Klöckner-Werke, the parent company, on the eve of tough negotiations between the European steel industry and the European commission in Brussels.

It is embarrassing to both sides, because they urgently need to agree on further sharp capacity cuts in European steel production. Closing the Klöckner plant in Bremen appears to many of the rival producers as the ideal solution.

Mr von Rohr, the elegant but ruthless architect of the plant's survival plan, disagrees. "Klöckner Stahl in Bremen is making profits right now," he said.

"If we have overcapacity in Europe, by closing one plant we must improve the average cost situation in the European steel industry. By closing one of the best-performing plants, we won't improve the average at all. We will make it worse.

"Bremen is in the top group of European plants, especially of the German steel plants."

This is the argument that Mr von Rohr will put, against strong objections by fellow steel producers such as Mr Brian Moffat, chairman and chief executive of British Steel, at next week's negotiations in Brussels.

The secret of his success, he says, lies in the composition proceedings – the last step before bankruptcy in the German financial process – declared by Klöckner-Werke for its steel operations last year. These not only halved the debt burden carried by the steel plants, but quickly rationalised the operations.

"Under the whip of the composition proceedings, we were able to re-engineer that company more profoundly and much more quickly than our competitors," Mr von Rohr said.

In the first place, the workforce will have been reduced by one third – from 6,000 to 4,000 – by the end of June. Capacity at the plant will be cut by 500,000 tonnes, to 2.7m tonnes, with the closure of one blast furnace. The estimated annual saving on the wage bill is more than DM40m ($22.7m).

Secondly, the company forced Ruhrkohle, Germany's dominant coal and coke producer, to sell 30 per cent of its coke requirements – 300,000 tonnes a year – on the much cheaper international market, saving roughly the same amount as the job cuts.

And the creditors' agreement to write off half the company's debt, which once stood at DM2.7bn for all its steel operations, will save more than DM70m in a full year.

Additional savings have come from the opening of direct deliveries of iron ore and coke to the Bremen plant, and from the full operation of its modern Bregal zinc galvanising plant.

"Instead of having a loss of more than DM160m, which was the rate it was running at in the last quarter of our last financial year, we will have a profit of around DM70m," said Mr von Rohr.

"Nobody has realised how quickly things have changed at Klöckner, or else they have simply tried to suppress the thought. Klöckner Stahl was the Cinderella of the German steel industry. In the meantime, it has become quite an attractive and self-confident dancing partner."

Earlier this month, Klöckner signed the contracts for its rescue plan, as negotiated with the Bremen city state. It leaves Klöckner-Werke with an interest of just 33 per cent, while Hibeg, the Bremen government's industrial holding company, has 32 per cent. Stadt werke Bremen, the city power utility, has 13 per cent, the Bremer Vulkan shipyard 13 per cent, and the Hegemann shipyard group 8 per cent.

Negotiations are continuing with Sidmar, the Belgian subsidiary of the Arbed steel group, to take a 25 per cent stake, and so reduce Klöckner's own exposure to 25 per cent.

"We are in very detailed talks," Mr von Rohr said. "There is a very positive drive in the negotiations. We are not at the point yet of being able to say if they will join."

The new partners have injected capital of DM250m, and the question, being investigated by the European Commission, is whether that cash involves a subsidy by the Bremen state. Mr von Rohr insists it amounts to a purely commercial decision to invest in a viable operation.

"We feel perfectly relaxed," he said. "The question can be answered with the figures. Bremen is simply doing what a reasonable private investor would do.

"It should be obvious to anybody that a company able to make a profit even in the present disastrous conditions of the steel market is a good investment."

Top Norwegian bank recovers

By Karen Fossli in Oslo

Den norske Bank, Norway's biggest bank, has recorded its first profit since its formation in 1990 from the merger of Den norske Creditbank and Bergen Bank. In a sharp reversal of fortunes, DnB posted a 1993 pre-tax profit of NKr982m ($129.7m) against a loss of NKr3.06bn the previous year.

The result was helped by a reduction in credit losses, a rise in net interest income, and gains in the securities and bond portfolios. In spite of the marked improvement, DnB A shares closed NKr0.50 lower at NKr21 on the Oslo bourse.

"The results for the year form a sound basis for the share capital increase which is under preparation," said Mr Finn Hvistendahl, group managing director.

DnB said earlier it was planning for a capital increase of NKr1bn through the issue of new shares. The state also has plans to dispose of some of its shares in the bank to raise another NKr1bn. Norway became DnB's biggest shareholder through cash injections made to prop it up during Norway's biggest banking crisis since the second world war. The bank had suffered successive years of high losses.

Group net interest income shot up by NKr697m to NKr5.37bn as other operating income advanced NKr797m to NKr3.5bn. "Along with a significant reduction in loan losses and a downward trend in the volume of non-performing loans, it is gratifying that the figures for net interest income and other operating income are strong," Mr Hvistendahl said.

However, losses on net loans and guarantees remained substantially high, though an improvement in the domestic economy helped cut them by NKr1.73bn to NKr3.11bn, helped by

The bank said losses on loans to small- and medium-sized companies were more than halved last year. In the private customer market, they were cut by one-third.

However, DnB said losses in 1993 in the corporate division were higher than in the previous year. This was blamed on increased loan-loss provisions in the first half of 1993 on specific commitments.

Sales at Oslo health products group rise 13%

Hafslund Nycomed, the Norwegian group best known for its radiology products, yesterday reported a 13 per cent increase in annual sales and a doubling of the dividend to NKr4.40 a share, writes Karen Fossli.

Hafslund boosted pre-tax profit last year, to NKr1.57bn ($207.4m) from NKr1.5bn in 1992, as sales, including royalties, advanced to NKr6.58bn from NKr5.84bn. The improvement came in spite of European government measures to curb healthcare costs and price pressures in Nordic markets.

Royalties rose to NKr803m from NKr659m. Operating expenses climbed to NKr3.79bn from NKr3.04bn.

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Repayment of principal will be made upon presentation and surrender of the Notes, with all unmatured coupons attached, at the offices of any of the Paying Agents listed below.

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to be renamed

Bankers Trust International PLC

Pursuant to Bankers Trust International PLC's ("BTI") plan to reorganise its corporate structure under which a wholly-owned subsidiary, named BT Alpha PLC will acquire substantially all of BTI's assets and business, notice is hereby given to the holders of the Warrants referred to below issued by BTI that, in each case in accordance with the conditions of such Warrants, with effect at close of business on 31 March, 1994, and subject to all appropriate consents and approvals relating to such reorganisation being obtained from regulatory authorities, BTI will resign as Calculation Agent in respect of each such Warrant and, BT Alpha PLC (to be renamed Bankers Trust International PLC), will be appointed as Calculation Agent in respect of such Warrants

2,000,000 Call Warrants related to the 8 per cent. Treasury Stock due 10 June 2003, issued on 30 September, 1993 (Common Code: 4617541)

300,000 Call Warrants and 300,000 Put Warrants related to the FT-SE 100 Index issued on 9 April 1991 (Call Warrants – Euroclear: 4153, Cedel: 446241) (Put Warrants – Euroclear: 4155, Cedel: 446283)

250,000 Call Warrants and 100,000 Put Warrants related to the Paris Stock Exchange CAC-40 Index issued on 8 April 1992 (Common Code: 3707016, 3707024) (SICOVAM Reference No. 21491, 21492)

500,000 Call Warrants related to 10.25% Swedish Government Bonds due 5 May 2003, issued on 9 February 1994 (Common Code: 4848233)

By: Bankers Trust International PLC
1 Appold Street
Broadgate
London EC2A 2HE

11 February, 1994

What do these companies have in common?

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Hitachi, Ltd.
The Nikko Securities Co., Ltd.
Pioneer Electronic Corporation
Shiseido Co., Ltd.
The Bank of Tokyo, Ltd.
Toray Industries, Inc.

They are all members of the FT Japan Club. If you wish to receive the annual reports of these companies, please ring +44-81-643 7181 or fax +44-81-770 3822.

FT JAPAN CLUB ANNUAL REPORT SERVICE

Christmas sales boost helps Hasbro to 12% rise

By Richard Tomkins in New York

Good sales in the run up to Christmas helped Hasbro, the biggest US toy maker, report a 12 per cent increase in fourth-quarter turnover to $932.2m. But a charge to cover the cost of closing its factory in the Netherlands, announced last month, limited profits growth to 8 per cent.

Net income was $70.7m compared with $65.6m last time, while earnings per share were 7 per cent ahead at 78 cents. Hasbro said if it had not been for the $15m charge it took against pre-tax profits for the plant closure, net income would have risen by 22 per cent.

Hasbro said some of its biggest domestic successes came from its Kenner division, which handles its Littlest Pet Shop and Jurassic Park lines. Hasbro Toy, after difficulties earlier in the year, saw good sales of Tonka's Talk 'n Play Fire Truck and The Real Power Tool Shop.

The Playskool operation was buoyed by successes with Talking Barney and traditional products like Play-Doh and Tinkertoy. The games division saw good sales of new products like Don't Wake Daddy, Ask Zandar and Jenga, and traditional games like Monopoly, Scrabble and The Game of Life.

Internationally, the company saw strong performances from its operations in Canada, Mexico, Britain and Germany, but suffered the currency translation effects of the rising US dollar.

For the full year, revenues rose by 8 per cent to $2.7bn, net income rose by 12 per cent to $200m, and earnings per share rose by 10 per cent to $2.22.

Hasbro will join other US toy manufacturers in unveiling its new products for 1994 at the American International Toy Fair in New York next week.

MG Corp looks for $300m credit after debt suspension

By Richard Waters in New York

MG Corp, the US arm of Metallgesellschaft, the troubled German metals and manufacturing group, has suspended debt payments to its banks and raised $300m in additional credit lines.

The news suggests that MG Corp has come under growing financial pressure in recent weeks, even though Metallgesellschaft reached an agreement with its bankers at the group level last month which saved it from bankruptcy.

MG Corp said it had been granted a 90-day moratorium on debt payments, intended to give it time to restructure its debts.

In a brief statement, Mr Karl von der Heyden, chief executive, said: "With this new facility, we are confident that we will have adequate liquidity and that we will reach agreement with the banks during the 90-day period on a long-term debt restructuring."

Some $700m-$800m, or two-thirds of MG Corp's total bank debt, is subject to the restructuring talks. The other third, which was owed to the group's bankers rather than those of the US subsidiary directly, will be converted to equity under the terms of last month's agreement, MG Corp said.

The US company was hit last year by massive losses from its trading in oil derivatives, which were blamed by Metallgesellschaft for the financial troubles of the group as a whole.

MG Corp said the new facility provided by its bankers was not needed to finance additional losses in its oil trading business, but would support its normal business while talks were under way with banks.

Suchard buys Romanian group

By Virginia Marsh in Bucharest

Kraft Jacobs Suchard, the Swiss-based foods group which is part of Philip Morris of the US, has purchased 82 per cent of Poiana-Produse Zaharoase, Romania's biggest chocolate producer, for $4.4m, the company announced in Bucharest yesterday.

Under the deal, Suchard will invest $17m on top of the purchase price in Poiana over the next five years and maintain the present workforce level at 1,220 for two years.

The remaining 18 per cent of shares will be offered to employees.

Poiana, which operates two factories in the Transylvanian town of Brasov, is Suchard's eighth acquisition in central and eastern Europe and lifts its capital committed to the region to $200m, Mr Bernhard Huber, vice-president, said.

Suchard plans to develop some of Poiana's existing 80 brands and initially concentrate on expanding sales in the large domestic market rather than on exports, Mr Huber said. With a population of 23m, Romania is the region's second-largest market after Poland.

The deal is only the second sale to a foreign company by the State Ownership Fund, the main engine of Romania's privatisation drive, since it was set up 15 months ago.

Electronic Arts to acquire Broderbund

By Louise Kehoe in San Francisco

Electronic Arts, the leading US video and computer games software company, is to acquire rival Broderbund Software, best known for its popular computer games.

The merger will form the world's largest consumer software company. Broderbund will become a subsidiary of Electronic Arts in a stock swap valued at $400m. The merger is expected to be completed by the end of May.

Both companies are in the forefront of interactive multimedia. Electronic Arts publishes games for personal computers and Nintendo and Sega video game machines. Broderbund has pioneered the field of "edutainment," games with educational value.

For the past year, Electronic Arts has competed directly with Broderbund with its own educational titles. Analysts said, however, that they do not anticipate that the merger will raise anti-trust problems.

The merger comes as Microsoft, the leading personal computer software company, is making an aggressive push into the home computer market with plans to launch 150 new products aimed at children and families.

The merger will create "a diversified, interactive consumer-media company,", said Mr Larry Probst, president and chief executive of Electronic Arts. "Broderbund's strengths in the education and personal productivity markets complement Electronic Arts' established leadership position in the entertainment software category."

Electronic Arts earned $30.9m in 1993 on revenue of $298m. Broderbund earned $13.6m on sales of $96m.

Electronic Arts does not expect job losses as the result of a merger. "There are none anticipated at this time," a spokeswoman said, when asked if the combination would result in a lowered headcount. Electronic Arts employs about 1,100 and Broderbund 400.

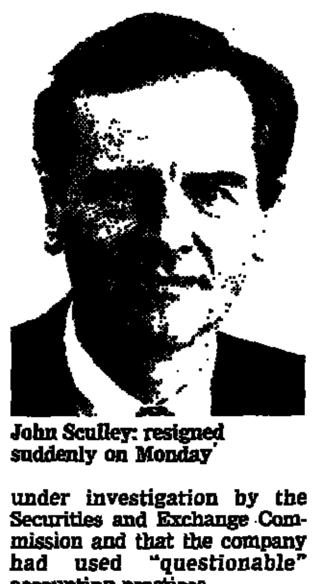
Spectrum files against Sculley

Louise Kehoe reports on the computer company's counter action

Mr John Sculley conspired to drive down the share price of Spectrum Information Technologies in order to mask the impact of his resignation as the company's chairman and chief executive, the company has alleged in a $300m law suit.

Spectrum charges Mr Sculley with breach of contract, breach of fiduciary duty, mismanagement and theft of trade secrets. The suit was filed late on Wednesday, two days after Mr Sculley abruptly resigned.

Mr Sculley, former chairman and chief executive of Apple Computer, surprised the industry last October by joining Spectrum, a little-known, loss-making company.



John Sculley: resigned suddenly on Monday

On Monday, Mr Sculley resigned and filed suit against Mr Peter Caserta, Spectrum president, charging that he had been duped into joining the company by "fraudulent misrepresentations". Mr Sculley says that Mr Caserta concealed the fact that Spectrum was under investigation by the Securities and Exchange Commission and that the company had used "questionable" accounting practices.

Spectrum's counter action refutes these charges. Mr Sculley was informed about the SEC investigation during a dinner with Mr Caserta and others at a New York restaurant three days before he joined the company, it claims.

Mr Sculley must also have known about the company's accounting methods, the suit asserts. A press clipping concerning the company's accounting was "uncovered in the due diligence file that Sculley left at Spectrum when he resigned," the company says.

Mr Sculley has also expressed outrage at the profits achieved recently by Mr Caserta and two other Spectrum officers when they sold substantial portions of their stock, taking advantage of a rise in the share price when Mr Sculley joined Spectrum. Spectrum, however, says that Mr Sculley signed an agreement acquiescing to the stock sales.

Through a spokesman, Mr Sculley called Spectrum's allegations "a work of fiction".

Both sides in this dispute appear to be keenly aware of the potential for damaging shareholder suits. Spectrum's share price has fallen by more than 50 per cent this week. While Spectrum has accused Mr Sculley of ignoring shareholders' interests, Mr Sculley has accused Mr Caserta and others of insider trading.

Although Spectrum's legal action is directed only at Mr Sculley, it identifies KMPG Peat Marwick, the accounting firm and a member of a venture capital company, as alleged co-conspirators with Mr Sculley in hatching a "secret exit strategy" that would enable him to minimise embarrassment and potential shareholder claims upon his resignation.

"The references to Peat Marwick are totally outrageous," said the accounting firm, which this week severed its relations with Spectrum. "Peat Marwick acted independently and was in no way involved in Mr Sculley's resignation. These appear to be desperate claims."

CBS completes record year with profits of $326m

By Patrick Harverson

CBS yesterday announced a 39 per cent increase in fourth-quarter earnings to $46.4m as the top-rated US broadcast network completed a record-breaking financial year on a strong note.

Full-year profits ended at $326.2m, up from $81m in 1992 and the best result in the company's history. While the latest three-month earnings failed to match CBS's accomplishments in the third quarter, when the company earned $118.3m, profits in that period were boosted by several one-off factors.

Once again the best performance within the group came from the CBS Television Network, which has consistently led the other three networks – ABC, NBC and Fox – in recent viewing figures. Mr Laurence Tisch, chairman, said CBS was now close to being the most watched network in prime-time, daytime and late night television, a feat achieved only once before by a US network. Higher ratings usually lead to bigger profits because they allow networks to charge higher rates for television advertisements.

CBS has been particularly successful in late night programming since September's debut on the network of an 11.30pm weekly talk show.

MacMillan Bloedel back in black

By Bernard Simon in Toronto

Strong lumber prices and an improved market for building materials helped MacMillan Bloedel, the Canadian west-coast forest products group, return to profitability last year. Net earnings were C$53.2m (US$39.7m), or 42 cents a share, compared with the 1992 loss of C$48.8m, or 52 cents. Revenues rose 24 per cent to C$3.76bn.

The sale of a stake in a UK corrugated paper business contributed C$39m to last year's earnings.

Fourth-quarter income was C$5.1m, or 3 cents a share, against a C$16.5m loss, or 17 cents, a year earlier.

Macblo said yesterday it would invest C$200m in the first lightweight coated-paper machine in western North America. The machine, at Port Alberni on Vancouver Island, will produce 160,000 tonnes of paper a year for magazines and other publications requiring high-quality colour.

Earnings were also boosted by the lower Canadian dollar but the improvement was contained by lower pulp and containerboard prices.

Gaz de France drops 30% to FFr1bn

By John Ridding in Paris

Gaz de France, the state-owned utility, announced net profits of FFr1.1bn ($184m) last year, a fall of about 30 per cent compared with the FFr1.59bn reported in 1992.

The results, achieved after a dividend payment of FFr575m to the state, were based on stable sales of FFr49.1bn. Investments increased from FFr4.9bn to FFr6bn, while debt was reduced from FFr16.4bn to FFr13.2bn.

Gaz de France said the results reflected its strategy of increasing productivity and expanding its presence in international markets.

Last year, for example, Gaz de France took a stake in Noverco, the principal shareholder of Gaz Metropolitan, which has a substantial presence in Quebec. The French gas company also developed in eastern Europe and the former Soviet Union, opening representative offices in Kiev and Budapest.

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Redemption Notice

Nacional Financiera, S.N.C., Trust Division
as Trustee of the Nafin Finance Trust
Guaranteed Floating Rate Notes Due 1997
CUSIP No. 629718-AA5*

NOTICE IS HEREBY GIVEN, pursuant to the Indenture dated as of December 15, 1992 under which the above described Notes were issued that Nacional Financiera, S.N.C., Trust Division, as Trustee of the Nafin Finance Trust will redeem on March 15, 1994 22.24956572099% of the Outstanding Principal Amount of the Notes, amounting to $30,740,000.00 on a pro rata basis in accordance with their respective Outstanding Principal Amounts. The amount of principal to be paid with respect to each $10,000 principal is $1,537.00.

On March 15, 1994, there will become due and payable on each Note the above amount, together with interest accrued to March 15, 1994. On and after such date interest will cease to accrue on the Notes (or portion thereof so redeemed).

Payment of the redemption amount plus accrued interest on Bearer Notes will be made upon presentation and surrender of the appropriate coupon to one of the Paying Agents listed below:

Citibank, N.A.
336 The Strand
London WC2R 1 HB
England

Citibank (Luxembourg) S.A.
16 Avenue Marie-Therese
Grand Duchy of Luxembourg
Luxembourg

CITIBANK, N.A.,
as Note Trustee

February 11, 1994

* This CUSIP number has been assigned by Standard & Poor's Corporation and is included solely for the convenience of the holders. Neither the Issuer nor the Note Trustee shall be responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness on the Notes or as indicated in this notice.

NOTICE

As of January 1, 1993, withholding of 31% of gross proceeds of any interest payment made within the United States may be required by the Internal Revenue Code of 1986, as amended by the Energy Policy Act of 1992, unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate or the Payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

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NOTICE OF REDEMPTION

MORTGAGE FUNDING CORPORATION NO. 2 PLC
Class B-1 Mortgage Backed Floating Rate Notes
Due August 2023

NOTICE IS HEREBY GIVEN to Bankers Trustee Company Limited (the "Trustee") and to the holders of the Class B-1 Mortgage Backed Floating Rate Notes Due August 2023 (the "Class B-1 Notes") of Mortgage Funding Corporation No. 2 PLC (the "Issuer") that, pursuant to the Trust Deed dated 31st August, 1988 (the "Trust Deed"), between the Issuer and the Trustee, and the Agency Agreement dated 31st August, 1988 (the "Agency Agreement"), between the Issuer and Morgan Guaranty Trust Company of New York (the "Principal Paying Agent") and others, the Issuer has determined that in accordance with the Redemption provisions set out in the Terms and Conditions of the Class B-1 Notes, Class B-1 Notes in the amount of £1,500,000 will be redeemed on 28th February, 1994 (the "Redemption Date"). The Class B-1 Notes selected by drawing in lots of £100,000 for redemption on the Redemption Date at a redemption price (the "Redemption Price") equal to their principal amount, together with accrued interest thereon are as follows:

OUTSTANDING CLASS B-1 NOTES OF £100,000 EACH BEARING THE DISTINCTIVE SERIAL NUMBERS SET OUT BELOW

Bearer Notes

176 285 289 392 566 592 613 733 776 782
804 816 926 1030 1139

The Class B-1 Notes may be surrendered for redemption at the specified office of any of the Paying Agents, which are as follows:

Morgan Guaranty Trust Company of New York
60 Victoria Embankment
London EC4Y 0JP

Morgan Guaranty Trust Company of New York
Avenue des Arts 35
B-1040 Brussels, Belgium

Union de Banques Suisses (Luxembourg) S.A.
36-38 Grand-rue
L-2011
Luxembourg

Morgan Guaranty Trust Company of New York
55 Exchange Place, Basement A
New York, New York 10260-0023
Attn: Corporate Trust Operations

In respect of Bearer Class B-1 Notes, the Redemption Price will be paid upon presentation and surrender, on or after the Redemption Date, of such Notes together with all unmatured coupons and talons appertaining thereto. Such payment will be made (i) in sterling at the specified office of the Paying Agent in London or (ii) at the specified office of any Paying Agent listed above by sterling cheque drawn on, or at the option of the holder by transfer to a sterling account maintained by the payee with, a Town Clearing branch of a bank in London. On or after the Redemption Date interest shall cease to accrue on the Class B-1 Notes which are the subject of this Notice of Redemption.

MORTGAGE FUNDING CORPORATION NO. 2 PLC
By: Morgan Guaranty Trust Company
as Principal Paying Agent
Dated: 11th February, 1994

NOTICE

Withholding of 31% of gross redemption proceeds of any payment made within the United States is required by the Internal Revenue Code of 1986 and amended by the Energy Policy Act of 1992 unless the paying agency has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the Payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent if presenting your Class B-1 Notes to the paying agency's New York Office.

THE THAILAND FUND
International Depositary Receipts (IDRs)
Issued by
Morgan Guaranty Trust Company of New York
evidencing Beneficial Certificates representing 1,000 Units

Notice is hereby given to the unitholders that the Thailand Fund declared a distribution of Baht 18.24 per Unit. The record date for this dividend is December 31, 1993.

As of February 17, 1994 payment of coupon number 7 of the International Depositary Receipts will be made in US dollars at the net rate of US$ 641.73 per IDR after deduction of 10% Thailand withholding tax and depositary fees of US$1.78

Payment will be made at one of the following offices of Morgan Guaranty Trust Company of New York:

- Brussels, 35 Avenue des Arts
- London, 60 Victoria Embankment
- Frankfurt, 46 Mainzer Landstrasse
- Zurich, 38 Stockerstrasse

In compliance with the terms and conditions of the Deposit Agreement the dividend will be paid by the Depositary or the afore-mentioned agents, against presentation of the coupon and the appropriate and duly completed certificate of nationality and residence.

Depositary: Morgan Guaranty Trust Company of New York
35 Avenue des Arts, 1040 Brussels

Zung Fu Finance Limited
(incorporated in Hong Kong with limited liability)

Redemption of
HK$309,660,000
13% Debentures due 1997
(the "Debentures")

The Board of Directors (the "Directors") of Zung Fu Finance Limited (the "Company") hereby give notice to the holders of the Debentures pursuant to the provisions of Conditions 9(b) and 14 of the terms and conditions of the Debentures (the "Conditions") that the Company will, on 15 March 1994 exercise its right pursuant to Condition 9(b) of the Conditions and redeem all Debentures outstanding at that date at their principal amount, and will also, in accordance with Condition 3 of the Conditions, pay any outstanding interest due and owing on the Debentures at that date.

Payments in respect of principal and interest owing will be made on 15 March 1994 against surrender of the Debenture certificates with coupons attached at the principal office of the Fiscal Agent, Banque Internationale à Luxembourg S.A. located at 2 Boulevard Royale, L-2953, Luxembourg. Payments will be made by Hong Kong dollar cheque or by transfer to a Hong Kong dollar bank account maintained by the payee.

St.George
ACN 055 513 070

U.S. $100,000,000
Floating Rate Notes due 1998

Notice is hereby given that for the Interest Period 10th February, 1994 to 10th May, 1994 the Notes will carry a Rate of Interest of 4.0125% per annum. The Interest Amounts payable will be U.S. $99.20 per U.S. $10,000 Note and U.S. $991.98 per U.S. $100,000 Note. The Interest Payment Date will be 10th May, 1994.

Bankers Trust Company, London
Agent Bank

PRIME EQUITY GROWTH FUND
Sicav
2, boulevard Royal, L-2953 Luxembourg
DIVIDEND ANNOUNCEMENT

PRIME EQUITY GROWTH FUND will pay out a dividend of USD 0.01 per share on February 18, 1994.

Shares are traded ex-dividend as from February 11, 1994.

The dividend is payable to holders of bearer shares against presentation of coupon no 8 to the following bank:

Banque Internationale à Luxembourg
2, boulevard Royal
L-2953 Luxembourg
Grand-Duchy of Luxembourg

The Board of Directors of
PRIME EQUITY GROWTH FUND

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Notice to the Warrantholders of
FAMILYMART CO., LTD.
U.S.$200,000,000
4 1/2 per cent. Bonds due 1995
with Warrants to subscribe for Shares of Common Stock

Pursuant to Clause 4 (A) and (B) of the Instrument dated 1st March, 1991 (the "Instrument") relating to the above-captioned warrants (the "Warrants"), notice is hereby given as follows:

In accordance with the resolutions of the Board of Directors of FamilyMart Co., Ltd. (the "Company") adopted at the meeting held on 3rd February, 1994, the Company will make a free distribution of shares of its common stock (the "Shares") to its shareholders of record as of 28th February, 1994 by way of a stock split in the ratio of 0.1 Share for each Share held.

Consequently, the Subscription Price of the Warrants (as defined in the Instrument) will be adjusted pursuant to Clause 3 (i) of the Instrument as set forth below:

1. Subscription Price before adjustment: Yen 7,047.30
2. Subscription Price after adjustment: Yen 6,406.60
3. Effective Date of adjustment: 1st March, 1994 (Japan time)

FAMILYMART CO., LTD.
By: Dai-Ichi Kangyo Trust Company of New York as Disbursement Agent

Dated: 11th February, 1994

Western Mining boss keeps his head

Nikki Tait examines the improving position of a leading Australian mining group

If Hugh Morgan, the controversial boss of Western Mining Corporation, is fazed by calls for his head, his style gives nothing away. How long does he intend to remain as managing director of one of Australia's largest mining groups, he was asked yesterday. "I haven't given it a moment's thought," came the immediate reply. There was just a touch of bravado.

Mr Morgan is batting on an improving wicket. WMC's interim figures showed a 25.1 per cent increase in equity-consolidated profits after tax but before abnormals, thanks to a strong contribution from the 48.25 per cent interest in Alcoa of Australia. By the time the Alcoa contribution turns down in the current calender year, says WMC, higher earnings from its nickel and copper operations should be showing through.

The WMC share price, meanwhile, has benefited hugely from the improved sentiment towards resource stocks and the booming Australian stockmarket. It has rallied from a low of A$3.83 some 15 months ago, to reach A$8 this week.

But whether this will disperse the question marks surrounding Mr Morgan's tenure is a moot point. They have persisted for many months now – and every time the clouds start to lift, a new storm seems to come along.

To recap, back in the 1980s WMC made a disastrous foray in to the North American mining sector. As part of this strategy, it acquired a company called Seabright for around C$92m (US$124m). Within weeks, it had described Seabright's main asset, the Beaver Dam deposit, as hopeless.

WMC eventually wrote off its investment and proceeded to sue Seabright directors, who counter-sued WMC. Last year, a Canadian court delivered a judgment which was scathing about WMC's behaviour, and ordered the Australian company to pay damages and costs. WMC proceeded to appeal.

The second, and arguably more serious, debacle concerned the rich Ernest Henry copper/gold deposit in Queensland. WMC was forced to relinquish it this year to Savage Resources from whom it had bought options over the area, after it was disclosed that a WMC exploration team trespassed on the lease area and then failed to advise Savage of its work.

WMC also took a A$20m charge to cover legal and settlement costs related to the affair.

Finally, in November, there was Lady Bountiful. WMC and Ord Minnett paid A$20m to settle a case in which it was alleged that a report by an Australian stockbroker – stating that WMC's sale of a 50 per cent interest in the Lady Bountiful gold mine was "fair and reasonable" – was negligent.

The settlement cost was split equally between the broker and WMC. WMC's interim figures carry a A$10m abnormal charge as a result.

Then, just as this series of adverse settlements came to an end, the Seabright issue resurfaced. WMC's appeal was turned down last month amid more condemnatory comments, and WMC is still deciding whether to take the matter to the Canadian Supreme Court.

The price of these mishaps has been large. In legal and settlement costs alone, the three episodes have produced charges of A$40m. Ernest Henry has been lost, and hundreds of millions of dollars were spent on the now-aborted North American foray.

But, to date, few heads have rolled. In the wake of the Ernest Henry affair, WMC appointed Mr Ian Burgess, deputy chairman of the Australian Mutual Provident Society, to the board, who duly carried out an internal inquiry. As a result, the board decided that WMC's management structure was "satisfactory".

It did, however, recommend a further review of internal corporate procedures, and a reduction in workload for senior executives. Mr Morgan, notoriously outspoken, was required to "minimise his involvement in outside activities".

Uneasy though the current situation is, the extent to which it bears on the company's stock market performance is a matter of debate.

Certain institutions are reportedly shy of the shares while the current regime persists. But at least some analysts think that perspective is being lost.

"Morgan's not favoured by everyone," says one Sydney-based pundit, "and if he was replaced maybe you'd see 10 or 20 cents on the share price, but it's not a big issue."

So, for the time being at least, Mr Morgan is left to spell out a strategy which sees WMC aiming for size and cost competitiveness. "The concentration has to be on becoming a large, low-cost operator... we have to get bigger," he says.

WMC has already spelt out its thinking in the nickel and copper areas. Throughout the recent plunge in nickel prices, the company has adhered to a planned overhaul of production facilities, with a view to substantially increasing capacity by 1995. The recommissioning of its Kalgoorlie nickel smelter took place in December, and the division, says Mr Morgan, has been trading profitably in the current half-year.

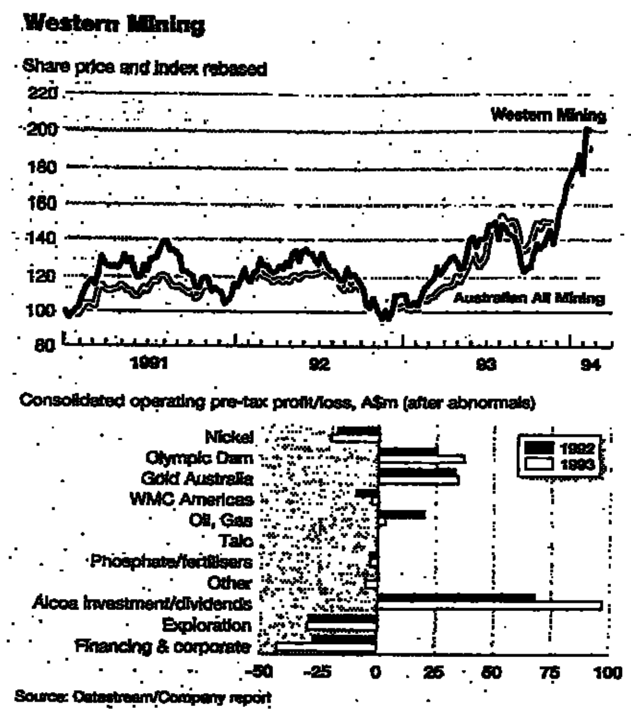
On the copper front, the purchase of BP's 49 per cent interest in the Olympic Dam project, means that this is now wholly-owned and the first "optimisation project" to increase output is also under way.

The fate of some of the smaller interests is less clear. Mr Morgan admits that the oil and gas assets are under rolling review, and that some minor properties might be discarded.

On the gold front, which remains a significant part of the business, he notes that "in Australia, there are not many large low-cost operators... which means you might have to go elsewhere".

In the meantime, WMC has the advantage of a strong balance sheet, with the debt to equity ratio standing at around 11 per cent at the half-year.

That will increase, perhaps 20 per cent, by end-June, with the annual A$780m capital expenditure programme weighted to the second half. But on this score, at least, headaches do not loom.



Source: Datastream/Company report

Operating profit ahead

Western Mining Corporation, the large minerals and metals group which has faced a series of adverse legal settlements recently, yesterday announced a 25.1 per cent increase in operating profits after tax, on an equity-consolidated basis, to A$66.3m (US$47.6m), in the half year to end-December, writes Nikki Tait.

After abnormal items, the figure for the first six months stood at A$56.3m, up from A$34.6m in the same period of 1992-1993. Total revenues were 3.3 per cent lower at A$779.8m.

The large part of the improvement was due to a higher contribution to profits from WMC's 48.25 per cent interest in Alcoa of Australia, which contributed A$89.6m, compared with A$56.5m last time.

The company acknowledged that Alcoa's contribution was likely to fall "significantly" – perhaps halve – in 1994, but said any reduction "should be offset by increased profitability from nickel and copper" assuming a "reasonable" recovery in prices of these metals in 1994.

Although commodity prices were weak in the first half, WMC claimed that it was "in an excellent position to take advantage of the upturn... which seems to be under way". Nickel capacity had been "substantially" increased and unit costs reduced. Unit costs of gold sales should also fall in the second half. The interim dividend, it added, was going up by a third, to 4 cents a share.

Marcelin steps down from chair at SCOA

By Alice Rawsthorn in Paris

Mr Jacques Marcelin yesterday resigned as chairman of SCOA, the trading company controlled by the Paribas banking group, after a disagreement over strategy.

SCOA, which is in the red with heavy debts, has abandoned a plan devised by Mr Marcelin to expand its interests in the French supermarket sector in order to concentrate on reducing its debt and on developing its core trading activities.

The change in policy was discussed at a board meeting yesterday. Mr Marcelin objected to the company's new direction and resigned the chairmanship. He will remain a director of the company and has been replaced on a temporary basis by Mr Guy de Narbonne, the present chief executive.

SCOA, which is 53 per cent owned by Paribas, has been badly affected by the French recession and the devaluation of CFA franc, the currency used by former French colonies in central and western Africa. It made a net interim loss of FFr598.7m ($100.2m) in the first half of 1993 and is believed to have stayed in the red for the full financial year.

Paribas, which is set to raise its stake to 85 per cent after the completion of a capital increase, said the new strategy would make no difference in the relationship between the two companies.

Japanese developer to reduce holding of properties overseas

By Bethan Hutton

Kumagai Gumi, the Japanese contractor and developer, is to sell a large number of its overseas properties and post an extraordinary loss to the parent group of Y21bn ($195m) this financial year.

More than Y10bn of the extraordinary loss is accounted for by the sale of one building, the Thames Exchange in London, which was sold to Scottish Amicable, the insurance and investment group, last December. Losses will also arise from its plans to liquidate some overseas units, and write off some loans to them.

However, Kumagai says the extraordinary loss will not influence profits for this accounting period because of profits generated elsewhere. The company hopes to be able partially to offset the loss with an extraordinary gain of some Y5.8bn, from cost-cutting and the sale of redundant land.

Kumagai is planning to reduce its holdings of unsold overseas properties from more than Y600bn to about Y540bn by the end of March this year. The unsold properties are concentrated in the UK, Australia and the US.

The group has been trying to reduce its overseas holdings for some time, but the sluggish international property market has made this a slow process.

The slightly better state of the UK commercial property market means that British assets have been easier to sell than those elsewhere.

Last May, the debt-laden company reported a drop of almost 40 per cent in pre-tax profits for the year to end March 1993.

There was a further 74.5 per cent drop in interim pre-tax profits last November.

Coca-Cola Amatil advances

Coca-Cola Amatil, the Australia-based soft drinks company which is controlled by Coca-Cola of the US but is also listed on the Australian Stock Exchange, yesterday reported a 45 per cent rise in profits after tax but before abnormals, to A$95.4m (US$68.5m), writes Nikki Tait. In the previous year, it made A$65.9m.

Revenues were slightly lower, due to disposals, at A$1.99bn against A$2.17bn and operating profits virtually flat, at A$198.4m. However, the after-tax figure was helped by lower interest charges, and the company also benefited from a A$234.5m extraordinary surplus following the sale of its snack food operations to United Biscuits.

Bottom-line profits, therefore, stood at A$329.9m compared with A$65.9m a year ago.

Malaysian group to develop tourist resort

By Kieran Cooke in Kuala Lumpur

Ekran, a Malaysian timber and construction company, has signed agreements with the Philippines government to develop a US$100m tourist resort on Samal island, in the southern Philippines.

Ekran says it will be building hotels, a golf course, a casino and other facilities on Samal. Ekran, controlled by Mr Ting Pek Khiing, a Malaysian Chinese entrepreneur based in Sarawak in east Malaysia, is one of Malaysia's fastest expanding conglomerates.

Pressure on Italian bank ratings

By John Gapper, Banking Editor

The long-term credit ratings of Italian commercial banks are under considerable downward pressure because of worries about the quality of bank assets, the US ratings agency Moody's Investor Services said yesterday.

In a strongly pessimistic report on Italy's 280 commercial banks, Moody's said that they were suffering from poor asset quality, mediocre control of operating expenses, and pressure on margins between deposit and loan interest rates.

Moody's said that the median long-term debt rating of banks had already fallen three notches from the Aa1 level of a year ago. Although the immediate cause was the lowered ceiling rating for Italy, it might have happened in any case.

The Moody's report says that difficulties facing Italian banks due to domestic recession and exposure from rapid loan growth in the past few years are an extreme case of those experienced in other deregulated banking markets.

The pessimism of Moody's assessment is likely to reinforce concerns over the effect on continental European banking systems of the prolonged recession. UK banks have already started to recover from similar problems.

Moody's said that despite worries over asset quality, competition in the Italian banking sector was rising and deposit and loan pricing were coming under pressure.

At the same time, expenses were being poorly-controlled, with the number of bank branches rising from 15,600 in 1989 to 20,800 in 1992 and reductions in staff numbers being largely offset by wages increases for the remaining staff.

Moody's expressed concern about the consistently rapid increase in banks' assets, with an average rise of 15 per cent per year between 1988 and 1992. This asset growth was the main reason that banks managed to increase operating profits.

This announcement appears as a matter of record only

Kingdom of Sweden

NLG 500,000,000

5.75% Bonds 1994 due 2004

Rabobank Nederland

ABN AMRO Bank N.V.
CS First Boston
Deutsche Bank de Bary N.V.
Goldman Sachs International Limited
Internationale Nederlanden Bank N.V.
Morgan Stanley & Co. International
Swiss Bank Corporation Nederland N.V.
MeesPierson N.V.
Banca del Gottardo
Bank Brussel Lambert N.V.
DG BANK Deutsche Genossenschaftsbank
Generale Bank
KBW Effectenbank N.V.
Kredietbank International Group
F. van Lanschot Bankiers N.V.
Robeco Effectenbank N.V.
UBS Limited

Rabobank

February 1994

Notice of Partial Redemption

EUROPEAN COAL AND STEEL COMMUNITY

ECU 30,000,000
7¾% 86/92-95

Notice is hereby given that pursuant to paragraph "Redemption" of the Terms and Conditions of the Bonds the following Bonds in the principal amount of ECU 6,000,000 have been drawn by lot and are due for redemption at 100% plus accrued interests on 10th April, 1994:

No 19979 to No 25978 included

Interest will cease on the Bonds called for redemption on and after the Redemption Date.

Payment will be made upon presentation and surrender of the Bonds, together with all appurtenant coupons maturing subsequent to the Redemption Date, at the office of the principal paying agent:

Banque Nationale de Paris (Luxembourg) S.A.
24 Boulevard Royal
L-2952 LUXEMBOURG

The principal amount of the Bonds remaining outstanding after 10th April, 1994 will be ECU 12,000,000.

The Fiscal Agent
Banque Nationale de Paris (Luxembourg) S.A.

SCAPA GROUP PLC

TAXATION INFORMATION - 1994 INTERIM DIVIDEND

The market value of Scapa ordinary shares issued in respect of the enhanced scrip dividend on 9 February 1994 was 270p per share.

NJK FINANCIAL (BERMUDA) LTD
US$100,000,000
GUARANTEED FLOATING RATE NOTES DUE 1999

Notice is hereby given that for the interest period from 10 February 1994 to 10 August 1994 the notes will carry an interest rate of 3.3875% per annum.

Chemical
As Agent Bank

TRANS-NATAL Coal Corporation Limited

(Incorporated in the Republic of South Africa Registration No. 63/01000/06)

UNAUDITED INTERIM REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 1993

INCOME STATEMENT

	6 months to 31.12.93	6 months to 31.12.92	12 months to 30.06.93
Sales tonnage (millions)	13,8	13,6	27,1
Export	5,9	5,8	11,6
Eskom	5,3	5,1	10,5
Inland	2,6	2,7	5,0
	(Rm)	(Rm)	(Rm)
Sales revenue	820,5	826,6	1 638,7
Cost of sales	711,5	707,6	1 413,7
Operating income	109,0	119,0	225,0
Net financing income/(charge)	(4,2)	10,4	9,3
Deduct: Amortisation	36,8	35,2	66,8
Income before taxation	68,0	94,2	167,5
Normal taxation	17,9	30,8	31,5
Deferred taxation benefits	7,0	7,9	20,5
Income after tax, before extraordinary items	43,1	55,5	115,5
Extraordinary items	–	(21,0)	(17,0)
Attributable income	43,1	34,5	98,5
Dividend to shareholders	18,3	18,3	63,7
Retained income	24,8	16,2	34,8
Shares in issue (millions)	79,7	79,7	79,7
Earnings per share before extraordinary items (cents)	54,1	69,7	144,9
Earnings per share after extraordinary items (cents)	54,1	43,3	123,6
Dividends per share (cents)	23,0	23,0	80,0

BALANCE SHEET

	31.12.93 Rm	31.12.92 Rm	30.06.93 Rm
Ordinary shares	300,5	300,5	300,5
Distributable reserve	437,9	394,6	413,3
	738,4	695,1	713,8
Deferred taxation benefits	245,6	273,7	238,6
Shareholders' interest	984,0	968,8	952,4
Outside shareholders' interest	8,5	8,5	8,5
Group equity	992,5	977,3	960,9
Loans	261,8	196,8	268,3
Long-term	102,4	46,3	102,8
Short-term	6,2	6,7	12,3
RBCT non-interest bearing	153,2	143,8	153,2
Capital employed	1 254,3	1 174,1	1 229,2
Net mining assets	1 198,6	1 119,6	1 172,8
Coal and anthracite stocks	61,0	59,5	51,3
Consumable stores	16,0	15,3	12,6
Investments and other assets	44,7	54,1	43,2
Net monetary assets/(liabilities)	(66,0)	(74,4)	(50,7)
Employment of capital	1 254,3	1 174,1	1 229,2
Debt/equity ratio	0,27	0,20	0,28
Capital expenditure	64,0	94,9	211,8
– Mining assets	61,9	87,9	182,7
– RBCT surcharge	–	–	13,2
– Other assets	2,1	7,0	15,9
Cash balance	110,1	74,2	107,4

The results of the company's joint ventures are accounted for by the proportionate consolidation method and the 1992 figures have been restated accordingly.

COMMENTS

1. Despite lower prices in difficult market conditions, the decline in Trans-Natal's operating income was limited to 8,4% thanks to the good performance of all collieries, and to higher levels of productivity.

   Average productivity improved by 24% to 361 saleable tons/man/month compared to 292 tons a year ago, due mainly to the benefits of the capital expenditure programme of the past few years and the commitment of all employees and their respective unions and associations. In consequence the unit cost of sales was 0,7% lower for the 6 months ended 31 December 1993 than for the same period in the previous year, and the mining cost per saleable ton was maintained at the 1992 level.
2. Export volumes and sales to Eskom showed a slight improvement. Exports increased by 0,1 million tons to 5,9 million tons and sales to Eskom increased by 0,2 million tons to 5,3 million tons. These increases were partially offset by a reduction of 0,1 million tons in sales to the inland market to 2,6 million tons.
3. Sales prices reflected the depressed state of the market. Lower prices were realised in both the export and inland market sectors. The average steamcoal export price declined by 15,2% or $4,85 per ton, so that despite a 13,8% more favourable exchange rate, the rand price per ton declined by 3,6%. Inland prices on average declined by 3,3% compared to the same period in 1992.
4. The reduction in sales prices, partially offset by the modest increase in sales volumes, resulted in a reduction in sales revenue of R6,1 million to R820,5 million. Notwithstanding the sound cost performance, operating income declined by 8,4% to R109,0 million.
5. The increased level of debt, together with lower interest rates on cash deposits, resulted in a net financing charge of R4,2 million. Income before tax declined by almost 28% to R68,0 million.
6. The tax charge for the period amounted to R24,9 million. Income after tax at R43,1 million was 22% less than for the same period last year. Earnings of 54,1 cents per share were 22% less than for the previous year.
7. For the 6 months since June 1993, the group maintained its cash level. The debt/equity ratio (including interest-free debt) improved slightly from 28% in June 1993 to 27% in December 1993. Capital expenditure was restricted to R64,0 million for essential items required to maintain competitive operations.
8. The international coal market is still influenced by oversupply and low levels of economic activity and this has had a negative effect on contract prices for 1994. However, encouraging signs of a possible economic recovery are emanating from the USA. It is also pleasing to note that spot prices in Europe and the Far East have recently increased from the low levels of six months ago. Improvements in 1995 contract prices are expected to follow.
9. The Group will be hard pressed to maintain second-half earnings at the levels registered above. Although the interim dividend has been maintained at 23 cents per share, the final dividend is likely to be adjusted to reflect the drop in earnings forecast for the full financial year.
10. On 9 February 1994 Mr B.P. Gilbertson relinquished the Chairmanship of Trans-Natal and Mr M.L. Davis was elected a Director and Chairman to succeed Mr Gilbertson who remains on the Board.

On behalf of the Board
D.J.K. Murray – *Managing Director*
C.L. Smit – *Financial Director*

11 February 1994

NOTICE OF DIVIDEND DECLARATION

Interim dividend No. 60 of 23 cents per share in respect of the half year ended 31 December 1993 has been declared payable on 18 March 1994 to ordinary shareholders who are registered in the books of the company at the close of business on 25 February 1994.

The register of members will be closed from 26 February to 13 March 1994 both days inclusive.

Dividend cheques will be posted by the transfer secretaries on or about 17 March 1994. Payments from the United Kingdom office will be made in United Kingdom currency at the rate of exchange ruling on 8 March 1994 or the first day thereafter on which a rate of exchange is obtainable.

Non-resident shareholders' tax of 15 per cent will be deducted from dividends payable to shareholders whose registered addresses are outside the Republic of South Africa.

By order of the Board
B.P. Saunders – *Group Secretary*

11 February 1994

Directors: M.L. Davis *(Chairman)*, D.J.K. Murray *(Managing Director)*, S.J.P. du Plessis, S.P. Ellis, B.P. Gilbertson, P.G. Henderson, M. Jelinek *(Swiss)*, G.P. Osterloh, P. de V. Rademeyer, M. Salamon, T. Scurr *(British)*, C.L. Smit.

Alternate director: N.T. Halgreen.

Registered office. 80 Marshall Street, Johannesburg 2001 (P.O. Box 61820 Marshalltown 2107)

London office: Gencor (U.K.) Limited, 30 Ely Place, LONDON EC1N 6UA

Transfer Secretaries:
(United Kingdom) Barclays Registrars, Bourne House, 34 Beckenham Road, Beckenham, KENT BR3 4TU
(South Africa) Central Registrars Limited, 5th Floor, 154 Market Street, Johannesburg 2001 (P.O. Box 4844, Johannesburg 2000)

GENCOR GROUP

Elkem bounces back into the black

By Karen Fossli

Elkem, the Norwegian light metals producer, yesterday announced that it had bounced back to a pre-tax profit of NKr166m ($21.9m) in 1993 from a loss of NKr673m in the previous year. Results were helped by improved prices and volumes for the group's ferro-alloys' products, a cut in domestic energy taxes and a higher dollar/krone exchange rate.

Nevertheless, Elkem plans to omit its dividend payment for the fourth year running.

Group net sales were lifted to NKr7.83bn last year from NKr7.3bn in the previous year as operating costs increased to NKr7.13bn from NKr7bn. Elkem's operations swung to a profit of NKr397m from a loss of NKr86m, allowing the group to post a net profit of NKr133m in 1993 against a net loss of NKr610m in 1992.

Price developments in the second half were positive for ferrosilicon and ferromanganese and unchanged for silicon metal, but were weaker for ferrochrome and aluminium, the company said.

Elkem explained that while its cost-savings programme made a significant contribution to last year's advance, extensive operational interruptions at some plants had prevented cost targets from being met.

Net financial expenses in 1993 were NKr324m, against NKr511m, which included net interest expenses of NKr301m, against NKr431m.

Cost-cutting brings 21% pre-tax gain for Statoil

By Karen Fossli in Oslo

Statoil, the Norwegian state oil company, yesterday reported a 21 per cent advance in 1993 pre-tax profits to NKr12bn ($1.58bn) from NKr9.9bn the previous year, boosted by a reduction in operating costs, improved financial results and a good performance by the securities portfolio. However, the group said it would cut its dividend payment to the state to NKr1.08bn from NKr1.25bn.

Group operating revenue rose by NKr6.6bn to NKr81.1bn as operating profit dipped to NKr12.24bn from NKr12.6bn.

"The Statoil group achieved a good result in 1993," said Mr Harald Norvik, chief executive. "Production from the fields we operate was good. Efforts to improve recovery from these fields is yielding positive results. Measures by all our business areas to cut costs have also contributed to the good result."

Mr Norvik warned, however, that market developments indicated low prices and narrow margins in 1994. "As a result, improvement programmes will continue with undiminished vigour to secure the group's competitiveness and long-term profitability," he pledged.

Operating costs in 1993 were NKr68.63bn, against NKr61.95bn, but the group expanded operations last year when a new gas field came on stream, a new pipeline became operational and when several oil fields in which Statoil has substantial shareholdings started producing.

Net financial charges were reduced by NKr2bn to NKr700m, reflecting reduced currency losses on long-term debt and securities gains. Net interest expenses were cut by NKr300m in 1993 while currency losses on long-term debt fell to NKr1.7bn from NKr2.3bn.

Gains on securities and bonds in 1993 reached NKr500m, against a loss of NKr580m in the previous year.

Statoil noted that Brent blend reference crude achieved an average price per barrel of $17 last year, down from $19.30 a year earlier. However, in domestic currency terms the price per barrel of crude was NKr1 higher at NKr121.

Daily crude oil production slipped to 414,000 barrels a day from 418,000 due to reduced output from the prolific Statfjord field. Group investments rose to NKr13.4bn in 1993 from NKr10.6bn.

Sharp advance at Bergesen

By Karen Fossli

Bergesen, Norway's biggest shipowner and one of the world's largest tanker operators, yesterday reported a sharp improvement in 1993 pre-tax profits to NKr132m ($17.4m) from NKr20m a year earlier, helped by gains on securities and disposals. But the group warned of another weak year for shipping operations in 1994.

Operating revenue rose by NKr285m to NKr2.93bn while operating profit advanced by only NKr67m to NKr270m, reflecting a weak spot market for tankers and LPG (liquefied petroleum gas) vessels.

An unchanged dividend of NKr1 a share is proposed.

Bergesen charged 1993 accounts with NKr200m in net financial items, up from NKr184m in 1992, after unrealised currency losses of NKr221m. But it booked realised gains on securities of NKr94m, against NKr8m, and said unrealised gains on the group's share portfolio had increased to NKr1.43bn from NKr225m.

Bergesen also booked realised gains of NKr61m on the disposal of two dry cargo vessels. The tanker division cut 1993 operating losses to NKr121m from NKr218m and said that overall, the value of its fleet in dollar terms was little changed from 1992 but that a stronger dollar had led to a 10 per cent increase in the krone value of its vessels.

Vessel operations last year were satisfactory but the group forecast another weak year in 1994. It added that it saw a weaker year in 1994 for LPG vessels operating in the spot market and a soft market for dry cargo vessels.

PosGold's Boddington deal goes to court

By Nikki Tait in Sydney

The US$116m deal for Reynolds Metals of the US to sell its 40 per cent stake in the western Australian Boddington gold mine to Poseidon Gold (PosGold) is to be challenged in the courts by Newcrest Mining, another Boddington shareholder.

News of the challenge came as PosGold, part of Mr Robert de Crespigny's Normandy Poseidon group, announced that it had placed 23.5m new shares at A$3.40. The placement, mainly with existing institutional shareholders, raised A$80m (US$57.5m).

The placement is designed to help PosGold – which is already in the throes of a hostile takeover bid for Aztec Mining – to fund the Boddington purchase for US$116m plus delivery of 30,000 ounces of gold over seven years.

Yesterday, however, Newcrest, which has a 20 per cent interest in the Boddington mine, said the joint venture agreement was governed by various conditions, including certain pre-emption rights for existing partners if a stake was divested.

Reynolds, it said, had begun court action to determine the applicability of the joint venture agreement to the proposed PosGold sale. Newcrest said it had joined the action "with a view to determining the status of Reynolds' obligations through the courts in due process".

Suharto family a driving force at Lamborghini

By Kieran Cooke in Kuala Lumpur

The Countach ... one of the classic Lamborghini models

Lamborghini, once the pride of Italy's sports car manufacturers, is taking the fast lane to the East.

A consortium of businessmen from Malaysia and Indonesia are putting the finishing touches to a deal believed to be worth in the region of US$40m giving them full control of the Lamborghini marque.

Hit by the recession and a fall off in orders in the luxury sports car market, Lamborghini has been struggling for several years to keep production going.

Since the late 1980s Lamborghini has been controlled by Chrysler of the US.

Lamborghini's new owners have an interesting pedigree. Mr Hutomo Mandala Putra, the youngest son of Indonesia's President Suharto, has a 50 per cent stake in Megatech, a Bermuda registered company which is taking control of Lamborghini.

The remaining shareholders in the enterprise are Mycom, a listed Malaysian gaming and property company, Koperasi Polis DiRaja, the Malaysian police investment fund, and Mr Setiawan Djody, an Indonesian entrepreneur who controls the country's Setdco group of companies.

Exactly what the consortium intends to do with Lamborghini is not clear. Mycom says it likely that the engine technology of Lamborghini will be used to develop commercial vehicles in Indonesia.

However, industry analysts say Mycom is more interested in forming a business alliance with the younger Suharto, a person of considerable influence in the world of Indonesian business.

The Suharto children are a considerable force in the fast expanding vehicle market in Indonesia.

A company controlled by a daughter of President Suharto recently entered into an agreement with Malaysian interests to import the Malaysian made Proton car into Indonesia.

Another son of the Indonesian president controls one of the country's biggest vehicle assembly operations.

MRCB in M$1.6bn contract

By Kieran Cooke in Kuala Lumpur and Michael Smith in London

Malaysian Resources Corp (MRCB), a Malaysian conglomerate involved mainly in the property, media and power sectors, has won a M$1.6bn (US$579.7m) contract to install power transmission lines for Tenaga Nasional, the country's partially privatised electricity utility.

National Grid, of the UK, is a leading contender to take a 20 per cent stake in a new company formed to undertake the work on the transmission lines.

MRCB and Permodalan Nasional, the Malaysian state investment corporation, will each take a 40 per cent share in the new venture.

MRCB has risen to prominence over the last 18 months and is seen as a company closely allied to Mr Anwar Ibrahim, Malaysia's deputy prime minister and finance minister. Early last year, MRCB took control of the New Straits Times group, Malaysia's biggest publishing company, and TV3, the country's only independent TV station.

Last year a unit of MRCB was also awarded the licence to build a 1,300MW power plant in the north of peninsular Malaysia. The plant forms part of Malaysia's programme of privatising a substantial portion of its power generating facilities.

National Grid said yesterday it could not comment on the Malaysian transmission project but it recently said it was prepared to invest up to £350m (US$511m) on overseas ventures. The Pacific rim offered considerable investment opportunities for the company, it said.

The company has carried out consultancy work on the Malaysian transmission network. The transmission system in England and Wales, where it operates, has long been in place and National Grid, owned by the 12 regional electricity companies, needs to find profit centres elsewhere.

First-half reverse at Trans-Natal

By Matthew Curtin in Johannesburg

Trans-Natal, South Africa's biggest coal exporter, suffered a 28 per cent slide in pre-tax profit to R88m ($19.8m) in the half-year to end-December from R94.2m a year earlier. Continued productivity gains at the Gencor-owned company's collieries were outweighed by lower export and inland coal prices.

Mr David Murray, managing director, warned that although the interim dividend was held at 23 cents, the final payout was likely to be reduced. This was because earnings would fall by the year-end after the 10 per cent cut in 1994 export contract prices the group had so far negotiated with its customers.

Overall sales tonnage rose to 13.8m tonnes from 13.6m tonnes but revenue fell to R820.5m from R826.6m.

Mr Murray said a near 1 per cent fall in unit production costs was "a rare achievement," cushioning the fall in operating income to R109m from R119m. A reduced tax liability left after-tax income only 22 per cent down at R43.1m compared with R55.5m.

Distributable profit improved to R43.1m from R34.5m, flattered by the R22m provision made in 1992 in writing off some coal-mining assets.

Earnings rose to 54.1 cents from 43.3 cents per share.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Price for Trading on 11.02.94: Pool purchase price £/MWh	Final Prices for Trading on [illegible]: Pool purchase price £/MWh	Pool selling price £/MWh
0030	17.19	18.09	18.09
0100	19.79	25.54	26.78
0130	20.57	25.64	26.78
0200	20.57	25.64	26.78
0230	19.79	25.54	26.78
0300	19.79	25.54	26.78
0330	19.79	25.64	26.78
0400	17.22	25.64	26.78
0430	17.20	23.67	25.11
0500	17.15	22.83	24.06
0530	17.15	22.64	23.88
0600	17.15	22.72	23.96
0630	17.20	22.72	23.96
0700	17.23	23.19	24.42
0730	20.01	23.46	24.63
0800	20.29	24.32	25.55
0830	20.29	25.13	26.37
0900	21.15	25.13	26.37
0930	24.24	25.13	26.37
1000	64.59	25.13	26.37
1030	64.58	25.13	26.37
1100	21.15	25.13	26.37
1130	21.14	25.13	26.37
1200	21.14	25.13	26.37
1230	21.14	25.13	26.37
1300	20.79	25.13	26.38
1330	20.79	24.32	25.55
1400	17.46	23.98	25.22
1430	17.40	23.68	24.92
1500	17.38	23.68	24.92
1530	17.37	23.31	24.55
1600	17.37	25.90	27.14
1630	17.40	27.60	28.84
1700	20.25	40.43	41.73
1730	21.85	42.27	43.66
1800	44.81	42.24	43.53
1830	44.92	33.00	34.25
1900	44.83	27.57	28.81
1930	21.53	26.25	27.49
2000	21.80	25.90	27.14
2030	20.23	24.77	26.00
2100	20.23	24.77	26.00
2130	20.01	24.77	26.00
2200	20.01	24.77	26.00
2230	17.43	24.77	26.00
2300	17.18	23.18	24.41
2330	17.09	18.08	18.08
2400	17.10	18.00	18.00

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £18.99/MWh becomes 1.899p/kWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone [illegible] between 9:30am and 5:15pm Monday to Friday.

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GOVERNMENT OF INDIA

SEVENTH ROUND OF BIDDING

Invitation to Bid for Exploration for Oil & Natural Gas

As part of the continuous round-the-year bidding scheme for exploration acreages, the Government of India announces the Seventh Round of Bidding for exploration in India. Companies are invited to bid for the exploration blocks on offer. Over 40 blocks are on offer, both offshore and onshore. Companies may bid for one or more blocks, singly or in association with other companies.

CONTRACT FEATURES

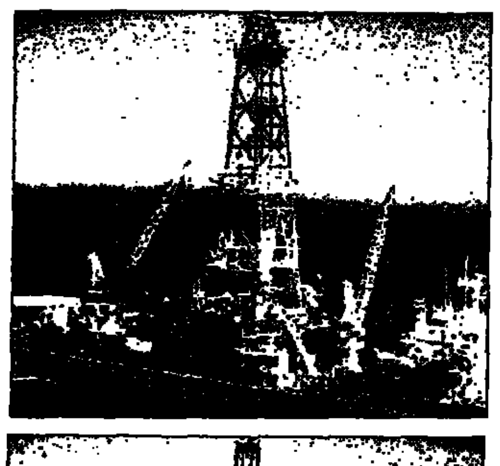
Production-sharing contracts would be entered into by the Government of India and Oil and Natural Gas Commission or Oil India Limited with successful companies, with a number of attractive features, the more prominent of which are as follows:

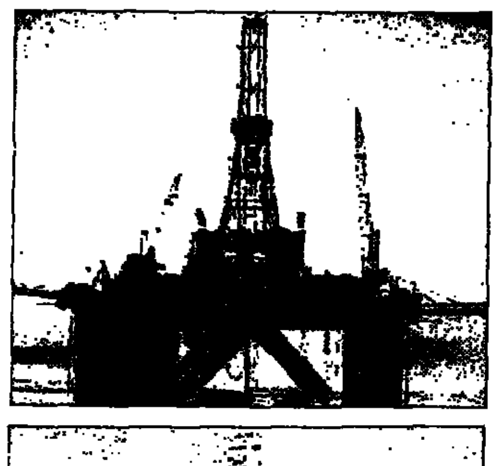
- The possibility of a seismic option in the first phase of the exploration period.
- No minimum expenditure commitment during the exploration period.
- No signature or production bonus.
- No royalty payment.
- Progressive fiscal regime with sharing of profit oil profit gas being tied to the post-tax profitability of the venture for the companies.
- No ring fencing of blocks for corporate tax purposes.
- Provisions for encouraging the production and marketing of gas.
- Purchase of company's share of oil at international market price.
- Provision for assignment.
- Provision for international arbitration.

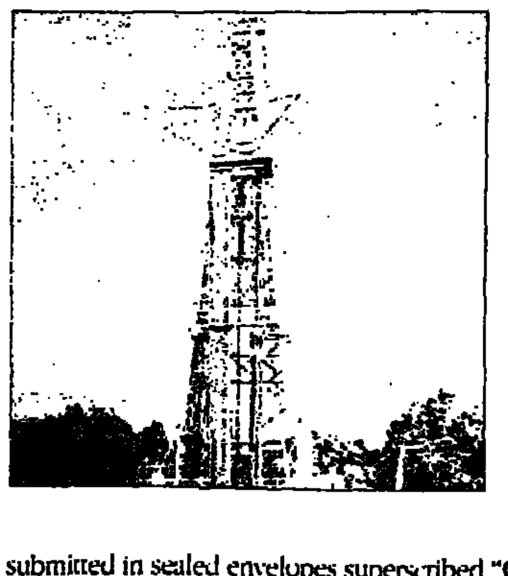
BID ITEMS

Companies would be required to bid for:

- Profit oil and profit gas shares expected by the contractor at various levels of rate of return or multiples of investment recovered.
- Percentage of annual production expected to be allocated towards cost recovery.
- Total length of exploration period, number of phases in exploration period and minimum work commitment in each of the phases.







INFORMATION AVAILABILITY

A brochure giving details of the blocks offered, their geographical location on a map of India and the contract terms will be made available free of cost to companies.

To enable companies to assess the geological prospects of the blocks on offer, information dockets and data packages are available on sale. Separate information dockets on each basin are available, containing information on regional and local geology and the current status of exploratory activities in the blocks in each basin. The data packages contain seismic sections, gravity and magnetic anomaly maps, wireline logs and structure contour maps etc. and have been prepared for most of the blocks.

Companies interested in inspection and purchase of information dockets and data packages and in obtaining further details regarding the offer may contact:

Mr. R.N. Desai
Head, EXCOM Group
Oil & Natural Gas Commission
Upper Ground Floor, GAIL Building
16 Bhikaji Cama Place
New Delhi 110066, INDIA
Telephone: 602703, 602351
Telex: 031-65184, 031-66262
Facsimile: 3316413

Bids should be submitted in sealed envelopes superscribed "Confidential"
"Seventh Round of Bids (1994)" not later than 1500 hours Indian Standard Time on 30th June 1994 to:

Director General of Hydrocarbons, Ministry of Petroleum & Natural Gas
2nd Floor, Shastri Bhavan, Dr. Rajendra Prasad Marg, New Delhi 110 001, INDIA.

UNION BANK OF NORWAY

domestic name

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Financial information

Preliminary results 1993

Total assets : 95.3-NOK billion
Operating profit after losses : 1.562 NOK million

Capital base : 67.6 NOK billion
BIS ration : 12.7%
Core capital : 7.1%

Address : Dirkegaten 18, P.O. Box 1172 Sentrum, N-0107 OSLO
Telephone : +47 22 31 90 50
Telefax : + 47 22 31 97 67

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INTERNATIONAL CAPITAL MARKETS

Gilts hit by jitters as traders await auction announcement

By Antonia Sharpe in London and Frank McGurty in New York

UK government bonds and futures traded nervously yesterday as traders took bets on whether the Bank of England would announce a February gilts auction today. The March long gilt future rose as high as $116\frac{1}{4}$ before dropping back to close at $115\frac{5}{8}$, down $\frac{5}{32}$ on the day.

Some dealers believed that the market's weakness since the base rate cut earlier this week would discourage the Bank from issuing more paper, especially since it had almost completed its funding programme for the current 1993-1994 year.

But others decided that the Bank would announce an auction of short-dated gilts today in order to make inroads into next year's funding programme and to be seen to be consistent with its auctions.

GOVERNMENT BONDS

They expected the Bank to reopen the benchmark 6 per cent gilts due 1999 by about £2.5bn. The closing yield on these gilts was 6 per cent.

■ German government bunds and futures ended little changed after a volatile day's trading. The March bund future traded between a high of 99.36 and a low of 98.84 before ending at 99.12, down 0.08 on the day.

Analysts said the market continued to dwell on the timing of an interest rate cut by the Bundesbank.

Mr Kit Juckes at S.G. Warburg said that an interest rate cut could come as early as next week now that the D-Mark was firmer and there had been some pay settlements with the IG Metall engineering union.

However, Mr Neil Williams at Daiwa Europe said he did not expect the Bundesbank to move on interest rates until the end of March and that the market would remain under a cloud until then.

■ Italian government bonds started to suffer a little after their recent strong performance. But traders put the weakness down to a temporary correction.

The March future ended at 118.09 down 0.41 point on the day and in the middle of the day's trading range of 117.88 to 118.65.

Meanwhile, Banca Commerciale Italiana said in a report that it expected the Italian treasury to issue a net L127,700bn f paper this year which should contribute to containing the budget deficit at L150,800bn, slightly below 1993's L153,000bn but still above government targets of L144,200bn.

■ French government bonds came off the day's highs in disappointment that the Bank of France left its intervention rate unchanged at 6.20 per cent at yesterday's securities repurchase tender. The March notional future ended up 0.22 point at 128.98, off the day's best level of 129.16.

■ Japanese government bond futures closed slightly easier in light trading as dealers squared their positions ahead of today's public holiday.

The March futures contract ended at 114.53 in Tokyo, up from a previous day's close of 114.66, and traded around 114.50 in London.

Mr James Greener, analyst at Toyo Trust International, noted that JGBs rose on the week for the first time in a month and broke above an important chart resistance point.

He added that the ministry of finance's funding plan for the next year was well received by the market and appeared to calmed some fears of rampant over-supply.

■ US Treasury bond prices drifted lower yesterday morning ahead of an afternoon auction of new 30-year bonds and tomorrow's data on producer prices and retail sales.

By midday, the benchmark 30-year government bond was $\frac{1}{8}$ lower at $97\frac{13}{16}$, with the yield rising to 6.411 per cent. On the short end, the two-year note was down $\frac{1}{16}$ at $99\frac{3}{16}$, to yield 6.411 per cent.

Early activity was listless as traders prepared for the Treasury's sale of $11bn in long bonds, the final leg of its $40bn quarterly refunding programme.

Demand for the new 30-year issue, the first in six months, was expected to be strong, in part because the first two stages of the debt operation posed no problems for the market.

Early in the session, prices dipped on news of a weekly decline of 47,000 in claims for unemployment benefit, but the response was muted. Attention was instead focused on tomorrow's figures on producer prices and retail sales in January.

Analysts said the market had already priced in a bad PPI reading, but was counting on a soft reading on consumer purchases in view of last month's earthquake and cold weather.

India Fund aims to raise up to $400m

By Sara Webb

The India Fund, a newly-launched closed-end fund, hopes to raise up to $400m from international investors looking for exposure to the Indian stock market.

The liberalisation and deregulation of the Indian economy during the past couple of years – and the prospect of strong economic growth – has sparked considerable interest in Indian equities from international and emerging market investors.

The India Fund, which has a New York Stock Exchange listing, will concentrate on investing mainly in medium-sized companies.

"We think the medium-sized companies are better able to adjust to the reform process, and also they are much cheaper," said Mr Jeff Chowdhry, fund manager at Barclays de Zoete Wedd Investment Management which is acting as investment adviser to the fund.

Mr Chowdhry said the sectors which are likely to be of particular interest are those related to infrastructure projects (such as the telecommunications and power sectors), as well as tourism-related stocks, for example companies in the hotel business.

The fund hopes to raise up to $400m through the sale of 2.666m shares priced at $15 per share, according to the prospectus. It is aiming for long-term capital growth.

Advantage Advisers, a subsidiary of Oppenheimer & Co, will act as investment manager to the fund, while Infrastructure Leasing & Financial Services Ltd, an Indian company, will act as country adviser to the fund.

Marathon bond takes the spotlight

By Conner Middelmann

The Eurobond sector came back to life yesterday, absorbing some 20 new issues denominated mainly in US dollars and sterling.

The highlight of the day, however, was the widely expected Greek drachma bond, dubbed Marathon bond by the lead managers, for the European Investment Bank.

The Dr10bn of $17\frac{1}{2}$ per cent five-year bonds – the first drachma-denominated foreign bonds – met overwhelming retail demand and closed at 104.5 bid, well above their par issue price. The lead manager reported strong demand from European retail investors and offshore US investment funds.

"In this low-yield environment, if someone offers you a $17\frac{1}{2}$ per cent coupon, you take the money and run – hence the name," quipped a London syndicate official. The issue was lead managed by Midland Bank Athens and the Hellenic Industrial Development Bank.

In the Eurosterling sector, the financing subsidiaries of two leading German banks took advantage of a swap window in the five-year sector.

Dresdner Finance issued £200m of 6 per cent bonds due December 1999, with a maturity slightly exceeding that of the 6 per cent gilt due August 1999 over which they were priced at 20 basis points above.

According to one of the lead managers, the issue got a strong initial response, especially from continental European investors seeking exposure to sterling after its recent slide. But placement slowed as the gilt market grew choppy and Commerzbank launched a rival five-year issue, the official said. BZW and UBS arranged the Dresdner deal.

INTERNATIONAL BONDS

Commerzbank Overseas Finance issued £150m of $6\frac{1}{4}$ per cent bonds due December 1999 via Natwest Capital Markets and Commerzbank, priced to yield 27 basis points over the 6 per cent gilt due August 1999.

After the issues were freed to trade, the yield spread on the Dresdner deal widened to around 24 basis points on the bid price and to about 32 basis points on the Commerzbank issue. But according to one of the lead managers, "this type of deal can take weeks to place, and we'll probably start seeing the spreads tighten in over time".

Welsh Water Utilities Finance got a more positive response for its two sterling deals, £100m of $7\frac{5}{8}$ per cent partly-paid 20-year bonds priced at 77 basis points over gilts and £100m of $7\frac{1}{8}$ per cent 10-year bonds yielding 48 basis points over gilts at the re-offer price.

According to an official at lead manager Baring Brothers, the deal saw strong investor demand, especially from UK accounts.

"This is the first core water company issue in two years, and coming after a wave of mainly financial issues this utility issue was very well received," he said.

Other dealers reported solid demand for the paper, citing the borrower's rarity value and the deal's fair pricing.

In the dollar sector, Swiss Bank Corporation lead-managed three deals totalling $1.1bn. General Electric Capital Corporation issued $400m of $5\frac{1}{2}$ per cent five-year bonds and $400m of 5 per cent three-year bonds via SBC and Toyota Motor Credit Corporation issued $300m of three-year notes, paying a coupon of 5 per cent. While the GECC five-year bond was said to have met fair demand, the two three-year deals were dogged by the recent glut of supply in that maturity, traders said. The yield spread over US Treasuries on all three issues widened slightly after they were freed to trade, traders said.

Thompson-Brandt BV, the large French electronics company, issued FFr1.5bn of 10-year $6\frac{3}{8}$ per cent bonds via CCF and J. P. Morgan. Priced at 62 basis points over the $5\frac{1}{2}$ per cent OAT, the paper found good demand from French and other continental European investors, a lead manager said.

Lonrho, the international conglomerate, is rumoured to be planning a £100m convertible bond issue in the next two weeks, with CS First Boston or Nomura tipped as possible lead managers.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees %	Spread bp	Book runner
US DOLLARS							
General Electric Capital Corp.	400	5.50	99.895R	Mar.1999	0.25R	+13 (5%-99)	Swiss Bank Corp.
General Electric Capital Corp.	400	5.00	100.19R	Mar.1997	0.1875R	+9 (4¾%-97)	Swiss Bank Corp.
Toyota Motor Credit Corp.	300	5.00	100.10R	Mar.1997	0.1875R	+12½(4¾%-97)	Swiss Bank Corp.
SXL Corp.(a)φ	200	1.125	100.00	Feb.1998	2.25	-	Yamaichi Intl.(Europe)
Goldman Sachs Group(b)‡	200	(c)	100.00R	Feb.1998	0.10R	-	Goldman Sachs Intl.
Filinvest (Cayman Is)(m)§	100	(3½-4)	100.00	Feb.2004	2.50	-	Peregrine Capital
Cofinoga‡	100	(d)	99.81R	Mar.1999	0.22R	-	Chemical Investment Bank
Banco di Napoli(e)‡	100	(f)	99.30	Feb.1999	0.20	-	Merrill Lynch Intl.
D-MARKS							
LKB Baden-Württemberg‡	2bn	(g)	100.125	Feb.2004	0.10	-	Trinkaus & Burkhardt
Nissen Co.(h)φ	190	0.875	100.00	Mar.1998	2.65	-	Nomura Bank (Deutsch.)
STERLING							
Welsh Water Utilities Fin.(i)	100	7.625	23.905R	Mar.2014	0.625R	+77 (8%-13)	Baring Brothers
Welsh Water Utilities Finance	100	7.125	99.513R	Mar.2004	0.375R	+48 (6¾%-04)	Baring Brothers
Dresdner Finance(j)	200	6.00	98.81R	Dec.1999	0.275R	+20 (6%-99)	BZW/ UBS
Commerzbank O'seas Finance(j)	150	6.25	99.64R	Dec.1999	0.275R	+27 (6%-99)	NatWest Capital Markets
FRENCH FRANCS							
Thompson-Brandt International	1.5bn	6.375	98.96R	Mar.2004	0.426R	+62 (5½%-04)	CCF/ JP Morgan France
CANADIAN DOLLARS							
ING Bank‡	200	(k)	100.00R	Mar.2004	0.50R	-	Kidder Peabody Intl.
AUSTRALIAN DOLLARS							
State Bank of South Australia	100	6.00	100.80	Mar.1998	1.75	-	Barclays de Zoete Wedd
DRACHMAS							
European Investment Bank	10bn	17.50	100.00	Mar.1999	1.625	-	ETBA/ Midland Bank Athens

Final terms and non-callable unless stated. The yield spread (over relevant government bond) at launch is supplied by the lead manager. §Convertible. φWith equity warrants. ‡Floating rate note. #Semi-annual coupon. R: fixed re-offer price; fees are shown at the re-offer level. a) Fixing: 17/2/94. b) Issue launched 9/2/94 increased to $700m. Callable on coupon dates from Feb.96 at par. c) 3-mth Libor +⅛%. d) 3-mth Libor +0.4%. e) Issue launched 25/1/94 increased to $250m. f) 6-mth Libor +0.15%. g) 6-mth Libor flat. h) Fixing: 16/2/94. i) Partly paid issue: 75% due on 25/12/94. j) Short 1st coupon. k) 6-mth BA's -0.3%; min 6%, max 9%. m) Fixing: approx 17/2/94. Conversion choices available. Conditional call and put options.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		9.500	08/04	120.8500	+0.300	6.29	6.21	6.34
Belgium		7.250	04/04	104.7000	-0.020	6.60	6.54	6.53
Canada *		7.500	12/03	106.7000	+0.600	6.56	6.45	6.43
Denmark		7.000	12/04	106.3000	-0.170	6.18	6.12	5.93
France	BTAN	8.000	05/98	109.8400	-0.160	5.39	5.10	4.94
	OAT	5.500	04/04	97.1500	+0.160	5.88	5.83	5.66
Germany		6.000	09/03	101.1500	-0.040	5.83	5.74	5.62
Italy		8.500	01/04	100.3200	-0.200	8.45†	8.33	8.57
Japan	No 119	4.800	06/99	108.0110	+0.390	3.06	3.04	2.44
	No 157	4.500	06/03	107.3480	-0.230	3.46	3.50	3.05
Netherlands		5.750	01/04	99.5400	-0.160	5.81	5.72	5.60
Spain		10.500	10/03	117.1000	+0.050	7.90	7.87	7.99
UK Gilts		9.750	01/98	113-01	-4/32	5.96	5.77	5.81
		6.750	11/04	101-06	-3/32	6.58	6.33	6.28
		9.000	10/08	119-21	-5/32	6.86	6.68	6.62
US Treasury *		5.750	08/03	98-21	+5/32	5.94	5.75	5.65
		6.250	08/23	97-25	+8/32	6.42	6.31	6.24
ECU (French Govt)		6.000	04/04	98.9900	+0.400	6.13	6.05	5.89

London closing, *New York mid-day. Yields: Local market standard.
† Gross annual yield (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. Source: MMS International

US INTEREST RATES

Lunchtime rates

Prime rate	6
Broker loan rate	5
Fed.funds	$3\frac{3}{16}$
Fed.funds at intervention	-

Treasury Bills and Bond Yields

One month	3.21	Three year	4.81
Two month	3.38	Five year	5.34
Three month	3.33	10-year	5.89
Six month	3.51	30-year	6.41
One year	3.85		
Two year	4.42		

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	128.90	129.08	+0.38	129.16	128.60	323,492	144,615
Jun	128.50	128.68	+0.38	128.70	128.24	4,515	22,687
Sep	127.74	127.92	+0.38	127.82	127.70	932	3,913

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	Calls Mar	Calls Jun	Calls Sep	Puts Mar	Puts Jun	Puts Sep
129	0.58	1.03	1.09	0.48	1.41	2.19
130	0.19	0.66	-	1.13	-	-
131	0.06	0.36	0.48	2.01	2.70	-
132	0.03	0.21	-	2.95	-	-
133	-	0.10	0.18	-	-	-

Est. vol. total, Calls 31,056 Puts 33,396. Previous day's open int., Calls 337,632 Puts 331,327.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	99.32	99.17	-0.03	99.36	98.84	215894	192534
Jun	99.19	99.08	-0.04	99.23	98.78	2695	9513

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	Calls Mar	Calls Jun	Puts Mar	Puts Jun
9900	0.48	1.01	0.31	0.93
9950	0.26	0.78	0.59	1.20
10000	0.12	0.59	0.95	1.51

Est. vol. total, Calls 26405 Puts 29139. Previous day's open int., Calls 274070 Puts 228601

■ NOTIONAL MEDIUM TERM GERMAN GOVT. BOND (BOBL)(LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	102.33	102.23	-0.09	102.35	102.12	2122	10066

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	118.61	117.81	-0.68	118.63	117.62	71741	82768
Jun	118.81	118.06	-0.68	118.81	118.21	793	7531

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	Calls Mar	Calls Jun	Puts Mar	Puts Jun
11750	0.66	2.41	0.35	1.83
11800	0.41	2.15	0.60	2.07
11850	0.24	1.90	0.93	2.32

Est. vol. total, Calls 1950 Puts 883. Previous day's open int., Calls 53344 Puts 60549

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	106.30	106.22	-0.05	106.40	106.05	51,732	104,778
Jun	106.35	106.24	+0.03	106.35	106.28	137	9,751

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	116-01	115-24	-0-05	116-08	115-06	120138	151906
Jun	115-16	115-03	-0-06	115-16	114-25	865	4373

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	Calls Mar	Calls Jun	Puts Mar	Puts Jun
115	1-08	1-62	0-24	1-56
116	0-36	1-32	0-52	2-26
117	0-15	1-07	1-31	3-01

Est. vol. total, Calls 12768 Puts 7258. Previous day's open int., Calls 110860 Puts 88420

Ecu

■ ECU BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	120.08	120.28	+0.34	120.28	119.98	5,239	15,153
Jun	-	95.38	+0.34	-	-	-	203

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Mar	114-27	114-20	-0.02	114-29	114-18	324,335	312,503
Jun	113-24	113-18	-0.02	113-26	113-17	3,406	31,755
Sep	112-28	112-22	+0.02	112-28	112-21	3,891	33,931

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Mar	114.53	-	-	114.57	114.39	1013	0
Jun	113.40	-	-	113.40	113.23	66	0

* LIFFE contracts traded on APT. All Open interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

Price Indices UK Gilts	Thu Feb 10	Day's change %	Wed Feb 9	Accrued interest	xd adj. ytd		Low coupon yield Feb 10	Feb 9	Yr. ago	Medium coupon yield Feb 10	Feb 9	Yr. ago	High coupon yield Feb 10	Feb 9	Yr. ago
1 Up to 5 years (25)	128.65	-0.05	128.71	1.91	1.23	5 yrs	5.94	5.91	6.53	6.20	6.17	7.03	6.29	6.26	7.22
2 5-15 years (21)	158.15	-0.11	158.50	1.54	2.14	15 yrs	6.77	6.76	8.14	6.85	6.84	8.62	7.03	7.03	8.90
3 Over 15 years (8)	182.85	-0.09	183.01	1.53	1.79	20 yrs	6.84	6.86	8.47	6.85	6.84	8.83	7.04	7.04	8.99
4 Irredeemables (6)	219.25	+0.66	217.81	2.88	0.00	Irred.†	6.90	6.94	7.03						
5 All stocks (60)	153.62	-0.08	153.83	1.71	1.75										

Index-linked	Thu Feb 10	Day's change %	Wed Feb 9	Accrued interest	xd adj. ytd		Inflation 5% Feb 10	Feb 9	Yr. ago	Inflation 10% Feb 10	Feb 9	Yr. ago
6 Up to 5 years (2)	189.82	+0.13	189.58	0.40	1.41	Up to 5 yrs	2.35	2.36	2.22	1.51	1.55	1.43
7 Over 5 years (11)	188.11	+0.04	188.04	0.75	0.57	Over 5 yrs	3.06	3.08	3.63	2.89	2.89	3.45
8 All stocks (13)	188.26	+0.05	188.16	0.71	0.66							

Debentures and Loans	Thu Feb 10	Day's change %	Wed Feb 9	Accrued interest	xd adj. ytd	5 year yield Feb 10	Feb 9	Yr. ago	15 year yield Feb 10	Feb 9	Yr. ago	25 year yield Feb 10	Feb 9	Yr. ago
9 Debs & Loans (68)	153.74	+0.39	153.14	3.07	0.56	7.70	7.76	8.70	7.80	7.85	9.67	7.87	7.90	9.91

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.

FT FIXED INTEREST INDICES

	Feb 10	Feb 9	Feb 8	Feb 7	Feb 4	Yr ago	High*	Low*
Govt. Secs. (UK)	104.18	104.11	105.05	104.38	105.03	94.85	107.60	93.28
Fixed Interest	128.36	128.87	129.73	129.66	131.47	110.56	133.87	106.67

* for 1993/94. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75). Fixed Interest high since compilation: 133.87 (21/1/94), low 50.53 (3/1/75). Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974

GILT EDGED ACTIVITY INDICES

	Feb 9	Feb 8	Feb 7	Feb 4	Feb 3
Gilt Edged bargains	127.4	140.4	132.1	136.1	122.7
5-day average	131.7	125.5	119.7	112.9	114.9

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 6:55 pm on February 10

	Issued	Bid	Offer	Chg.	Yield
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury $6\frac{1}{2}$ 03	1000	100	$100\frac{3}{8}$	$+\frac{1}{8}$	6.49
AlbertaProvince $9\frac{3}{8}$ 95	600	$107\frac{5}{8}$	108		4.61
Austria $8\frac{1}{2}$ 00	400	113	$113\frac{3}{4}$	$+\frac{1}{4}$	5.85
Bank of Tokyo $8\frac{3}{8}$ 96	100	$106\frac{3}{8}$	$106\frac{7}{8}$		5.14
Belgium $9\frac{5}{8}$ 98	250	$115\frac{1}{4}$	$115\frac{5}{8}$		5.61
BFCE $7\frac{3}{4}$ 97	150	$107\frac{1}{8}$	$107\frac{3}{4}$		5.18
[illegible]					
United Kingdom $7\frac{1}{8}$ 97	5500	$105\frac{1}{4}$	$105\frac{3}{4}$	$+\frac{1}{8}$	5.37
Volkswagen Intl Fin 7 03	1000	$102\frac{7}{8}$	$103\frac{3}{8}$	$+\frac{1}{8}$	6.57
World Bank 0 15	2000	$27\frac{1}{2}$	$27\frac{3}{4}$	$-\frac{1}{8}$	6.06
World Bank $5\frac{3}{8}$ 98	300	$102\frac{1}{4}$	$102\frac{1}{2}$		4.59
World Bank $8\frac{3}{4}$ 00	1250	$116\frac{1}{4}$	$116\frac{5}{8}$	$+\frac{1}{8}$	5.57
SWISS FRANC STRAIGHTS					
[illegible]					
Alliance Leics $11\frac{3}{8}$ 97 £	100	$114\frac{1}{4}$	$115\frac{1}{4}$	$-\frac{1}{8}$	6.20
British Gas $12\frac{1}{4}$ 95 £	300	$107\frac{1}{2}$	$107\frac{7}{8}$	$+\frac{1}{4}$	4.94
British Land $8\frac{7}{8}$ 23 £	150	103	$103\frac{1}{2}$	$-\frac{1}{8}$	8.78
EIB 10 97 £	637	$110\frac{7}{8}$	$111\frac{1}{4}$	$-\frac{1}{8}$	5.91
Halifax $10\frac{3}{8}$ 97 £	100	$111\frac{5}{8}$	$112\frac{1}{8}$	$-\frac{1}{8}$	6.09
Hanson $10\frac{3}{8}$ 97 £	500	$112\frac{1}{8}$	$112\frac{1}{2}$	$-\frac{1}{8}$	6.55
HSBC Holdings 11.69 02 £	153	$123\frac{3}{4}$	$124\frac{3}{8}$	$-\frac{1}{8}$	7.75
[illegible]					

UK GILTS PRICES

Notes	Yield Int	Yield Red	Price £	+ or -	1993/94 High	1993/94 Low
Shorts" (Lives up to Five Years)						
Treas $14\frac{1}{2}$pc 1994‡‡	14.50	-	100xd	—	$109\frac{1}{4}$	100
Exch $13\frac{1}{2}$pc 1994	13.27	5.09	$101\frac{3}{4}$	—	[illegible]	[illegible]
Treas 10pc Ln 1994‡‡	9.85	5.14	[illegible]	—	[illegible]	[illegible]
Exch $12\frac{1}{2}$pc 1994	12.03	5.05	[illegible]	—	[illegible]	[illegible]
Treas 9pc 1994‡‡	8.74	4.99	[illegible]	—	[illegible]	[illegible]
12pc 1995	11.27	4.93	[illegible]	—	98	94
Exch 3pc Gas 90-95	3.08	4.77	98	—	[illegible]	107
[illegible]						

Notes	Yield Int	Yield Red	Price £	+ or -	1993/94 High	1993/94 Low
10pc 2003	8.16	6.74	[illegible]	[illegible]	[illegible]	[illegible]
Treas $11\frac{1}{2}$pc 2001-4	9.11	6.78	[illegible]	[illegible]	[illegible]	[illegible]
Funding $3\frac{1}{2}$pc '99-4	4.27	5.89	82	[illegible]	[illegible]	[illegible]
Conversion $9\frac{1}{2}$pc 2004	7.90	6.79	[illegible]	[illegible]	[illegible]	[illegible]
Treas $6\frac{3}{4}$pc 2004‡‡	6.67	6.58	[illegible]	[illegible]	[illegible]	[illegible]
$6\frac{3}{4}$pc 2004 A (£50 Pd)	6.69	6.62	[illegible]	[illegible]	[illegible]	[illegible]
Conv $9\frac{1}{2}$pc 2005	7.87	6.81	[illegible]	[illegible]	[illegible]	[illegible]
Treas $12\frac{1}{2}$pc 2003-5	9.01	6.85	[illegible]	[illegible]	[illegible]	[illegible]
$7\frac{3}{4}$pc 2006‡‡	7.18	6.79	[illegible]	[illegible]	[illegible]	[illegible]
8pc 2002-6‡‡	7.42	6.79	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]						

Notes	Yield (1)	Yield (2)	Price £	+ or -	1993/94 High	1993/94 Low
Index-Linked (b)						
Treas. 2pc '94 (102.9)	-	-	$137\frac{1}{8}$	—	$137\frac{1}{4}$	$131\frac{5}{8}$
2pc '96 (67.9)	1.25	2.19	[illegible]	[illegible]	[illegible]	[illegible]
$4\frac{5}{8}$pc '98‡‡ (135.6)	1.57	2.22	[illegible]	[illegible]	[illegible]	[illegible]
$2\frac{1}{2}$pc '01 (78.3)	2.28	2.55	[illegible]	[illegible]	[illegible]	159
$2\frac{1}{2}$pc '03 (78.8)	2.50	2.80	[illegible]	[illegible]	[illegible]	155
$4\frac{3}{8}$pc '04‡‡ (135.6)	2.55	2.83	[illegible]	[illegible]	[illegible]	[illegible]
2pc '06 (69.5)	2.63	2.85	[illegible]	[illegible]	[illegible]	[illegible]
$2\frac{1}{2}$pc '09 (78.8)	2.84	3.03	[illegible]	[illegible]	[illegible]	144
$2\frac{1}{2}$pc '11 (74.6)	2.88	3.06	[illegible]	[illegible]	[illegible]	[illegible]
$2\frac{1}{2}$pc '13 (89.2)	2.92	3.06	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]						

Other Fixed Interest

[illegible]

* "Tap" stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds.

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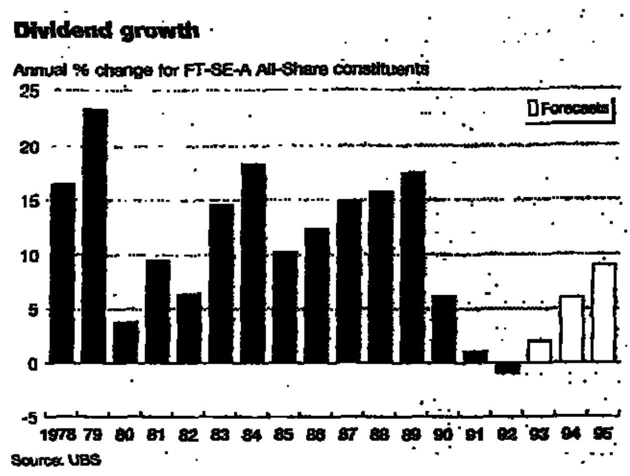
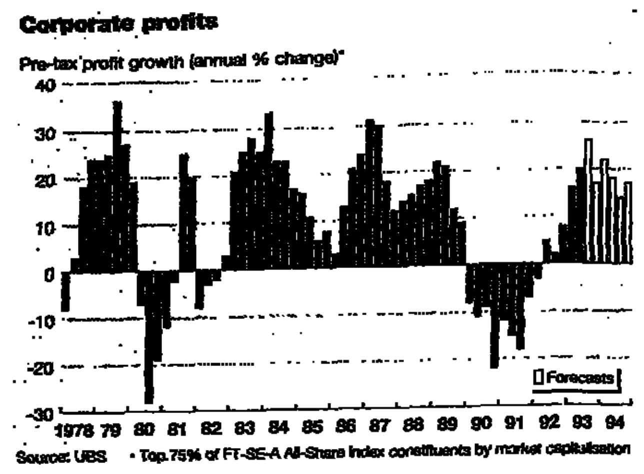
COMPANY NEWS: UK RESULTS PREVIEW

Profits are rising. But high share valuations imply companies can produce rapid earnings growth at a time of low inflation and slow economic growth. FT writers assess the prospects.





Downgrading of forecasts again outstrips upgrades

The stock market approaches the coming results season with the hope that the economic recovery which officially began in the second quarter of 1992 will at last be feeding through to corporate profits.

It is, however, not an entirely confident expectation. While there were high hopes for 1993 early in the year – with stockbrokers BZW, for instance, seeing analysts upgrades exceed downgrades in the second quarter of the year for the first time in many quarters – that was reversed in the second half.

Profit forecasts were hit by some severe downgradings towards the end of last year – for instance on stocks as diverse as BTR, GEC and food retailers.

Mr Richard Kersley, market analyst at BZW, notes that the downgrades of 1993 had a different character to those in 1991 and 1992, when it was usually a case of the downturn in the economic cycle hitting profits.

In 1993 the downgrades had little to do with the cycle, more with companies' ability to increase prices.

While businesses in some sectors, such as building materials, were able to raise prices reflecting a cyclical upturn, it was sectors such as food retailers and pharmaceuticals that were hit by their lack of pricing power.

Trading statements from companies have continued to lower analysts' expectations. There is a new spirit of disclosure by companies which should mean that those which can see that estimates are significantly different from the likely outturn put out a statement to that effect.

That might be expected to prevent any nasty surprises coming out in the results as they are reported.

Yet analysts are less sure than they once might have been about their forecasts, since many have been wrong-footed by such warnings.

More important, perhaps, for the value of the stock market, will be the tone of chairmen's statements about current and future trading.

However, as the numbers appear on dealing screens there is the possibility for much confusion as sizeable exceptional items are likely to continue to distort profits and the implementation of FRS 3 last year has, if anything, made the reported profit figure more difficult to interpret.

In general, 1992 was a year of restructuring, rationalisation and redundancy costs with the addition of write-downs of asset values. By contrast 1993 figures will reflect a bounce in reported profits, simply because of the absence of such negatives.

Mr Robert Buckland, market analyst at NatWest Markets, points out that the absence of large write-offs from three large companies alone, British Petroleum, British Aerospace and ICI, will account for a £2bn profit rise, equivalent to 10 per cent of the market's earnings base.

On top of that, the benefit of cost-cutting measures and the ability to make higher profits from written down assets – such as housebuilders which have cut the value of their land banks – should be coming through in higher profit margins.

The profit rise from the former is exceptional, but the gain from the latter can be argued to be either unrepeatable or to reflect underlying growth.

Or as Mr Roger Barker of UBS, the brokers, puts it: "We are now starting to see more of the profits increase generated from higher demand rather than productivity".

As a result of the large write-offs in 1992, there is a wide difference in forecasts of reported "headline" numbers and profit rises excluding exceptionals.

A further complication is that write-offs are likely to have continued into 1993. While it might have seemed that the 1992 results included the kitchen sink, many companies will have found further causes of one-off costs in 1993.

While the headline number could show a rise for industrial stocks of 20 per cent or even 30 per cent, most forecasts for underlying, adjusted profits growth percentages lie somewhere in the teens.

Most brokers focus on growth in profits and earnings from the industrial group, which excludes oil and gas, and the financial sector.

The oil and gas and financial areas are likely to show much better growth than industrials, if only because of the bounce back from difficulties. Banks, for example, are recovering from the massive bad debt provisions they were forced to take in the recession.

Expectations of earnings growth in 1994 are for about 15 per cent from the industrial sector, although as one market strategist said: "If it turns out that people were not in the right place for 1993, that could undermine confidence in 1994 forecasts".

The 1994 estimate is likely to be a more "real" figure than the 1993 number which will reflect recovery more than growth. As one analyst puts it: "The quality of earnings is rising".

It must be remembered too, that forecasts of percentage earnings growth in the mid-teens for both 1993 and 1994 compare with inflation forecasts in low single figures. The combination of 1993 and 1994 will produce a sharp rise in real earnings, which many strategists believe underpins the stock market's current valuation.

Most expect a much slower rise in dividends than in earnings, as companies seek to rebuild cover which sank to low levels in 1992. While earnings were falling in 1991 and 1992, dividends at the end of 1992 were at the same level as they had been in 1990.

Forecasts centre on a 4 per cent rise in 1993 and 6 per cent in 1994, although some are higher, such as BZW at 6 and 8 per cent respectively. This is based on the increase in the net dividend. Gross dividends will be distorted as the change in the rate of tax credits on dividends works through.

Another distortion comes from the prevalence of enhanced scrip dividends in 1993, with companies paying 50 per cent more in shares than in cash, which makes it harder to calculate an average number.

Further, the rise in dividends is expected to be heavily weighted by increases from the utilities, and to some extent by pharmaceuticals. Among financials, banks are due to reward their shareholders' patience with bigger pay-outs.

Even so dividend cover, which according to Mr Mark Brown, strategist at brokers Hoare Govett, has sunk to 1½ times if utilities are excluded, will take some time to get back to average levels of 2½ times.

Investors will be looking for signs of whether companies want to return to that level of cover.

With balance sheets strengthened by rights issues, companies have more flexibility to decide whether to channel cashflow towards financing recovery or to be more generous to their shareholders.

With inflation at low levels, there is an argument that companies can live comfortably with slimmer dividend cover than they have wanted in the past.

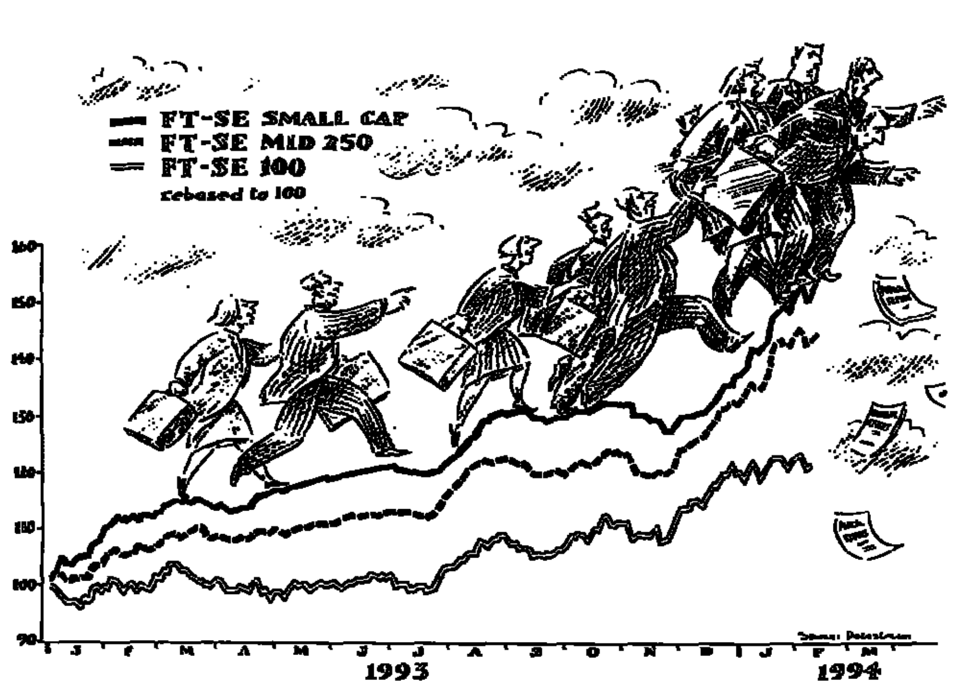
Another feature of the results season could be more rights issues, although the number of companies calling on shareholders for cash is likely to fall.

Much work has already been done to rebuild corporate finances. But with a recovery to finance, companies may take advantage of the high level of the stock market which makes it attractive to issue shares.

If such issues are combined with optimistic statements from company chairmen about the economic recovery, and profit forecasts are met, then the stock market should survive the results season without much damage.

Maggie Urry

Hopes rest on answers to crucial questions



Many in the City believe that the UK corporate earnings outlook has rarely been so positive. The forthcoming round of results will test this optimism.

Inflation is dying, or at least dormant, business surveys are optimistic, and the prospect of sustained output growth and gradually declining unemployment stretch out ahead, or so the high stock market valuations indicate.

The fundamental question is: can companies rapidly expand their earnings in a low inflation, low growth economic environment? The stock market seems to believe they can.

With hopes so high, analysts and investors will be paying close attention to the commentary on prospects accompanying results statements.

"The key thing will be chairmen's statements. The market is increasingly moving towards recovery stories," one market strategist said. "If we get down-beat statements on 1994, it could severely effect the market."

Answers to a number of crucial questions will help determine whether or not investors' hopes are speeding ahead of commercial realities. Among the issues are:

● **What is the outlook for sales growth?**
The volume of new orders is growing at the strongest rate for five years, encouraged by a gradual revival in demand, according to the latest industrial trends survey by the Confederation of British Industry.

J Sainsbury, the supermarket chain, recently demonstrated how crucial performance statements can be. Its comments on shrinking margins resulted in a one-day drop of 11 per cent in its share price.

● **What is the exposure to overseas markets?**
Exports to the US are already benefiting from its economic upturn and the relative strength of the dollar. By contrast, in the late 1980s, many companies had expanded into continental Europe hoping to benefit from the single market. But with economic recovery on the Continent lagging behind Britain's, some companies are finding weak export sales offsetting the domestic pickup.

● **Is restructuring paying off?**
The recession forced many companies into hefty restructuring of their operations and balance sheets. Are the benefits coming through to the bottom line? If they need to restructure further, can their balance sheets take the hit? In a low inflationary environment, lower unit costs are crucial, given the economic pressures against raising prices.

This results season has been preceded by three years of severe rationalisation. Warburg Securities' Smallco, a portfolio of 162 industrial companies with a market capitalisation of £20bn, gives a strong indication of trends, since smaller companies tend to react more rapidly to economic changes.

The portfolio suffered total exceptional losses of £674m during 1991 and 1992, because of restructuring costs and balance sheet write-downs. This figure is forecast to drop to £90m in 1993 and £3m in 1994, as costs have been pared to the bone, and asset prices stabilise.

● **How much spare capacity is there?**
The recession triggered a substantial reduction in industrial capacity through business failures, mergers and plant rationalisations. Just how far the process has gone is difficult to judge. Capacity utilisation data are notoriously unreliable.

However, there are signs of more manufacturing companies operating at or near capacity. If this is the case, it could undermine confidence that the inflationary dragon has indeed been slain.

According to the latest CBI figures, 57 per cent of companies are operating below capacity – the smallest percentage since October 1990, and well down on the 70 per cent levels reported during 1991 and 1992.

Of even more concern, one in eight companies currently expect capacity constraints to limit output in the short-term.

If capacity is tightening, will companies try to push up prices? Some building materials suppliers, for example, have already pushed through modest price increases.

For some capital intensive industries, production capacity has already become an important issue. The cement industry, for example, cut production through the recession, but now finds demand rebounding. Cement makers are suggesting they will import surplus stocks from recession-hit European manufacturers when they run out of capacity rather than invest in new plant. This implies inflationary bottle necks at a later stage.

● **What are the impediments to increasing output?**
Job cuts continue in some sectors, notably financial services and manufacturing industry. Yet, unemployment fell below 10 per cent of the working population in December, for the first time since July 1992. Indeed, in some sectors, labour shortages have emerged.

Last month, Magellan Industries, a lingerie and swimwear manufacturer (mainly for Marks and Spencer), issued a profits warning because it could not cope with demand.

So far, such examples of pressures on unit costs are rare. More companies expect unit costs to fall than rise, thanks to low inflation and increased productivity. This was only the second time such a response was recorded in 36 years.

● **Is capital spending rising?**
If optimism is well-founded, there should already be signs of spending on new plant and machinery, as excess capacity diminishes. The CBI found a balance of companies anticipating increased expenditure on non-property fixed assets.

Yet surprisingly, Warburg's Smallco is forecast to show a 5 per cent drop in capital expenditure in 1993, and a further 2 per cent dip in 1994. This would reflect falling prices of productive assets, and slack production levels.

But it has negative implications for the capital goods sector and raises questions over whether optimism will turn into investment. It also suggests that some managers are holding back from investing in new plant because they are demanding an unrealistically high rate of return given the low inflation environment.

Simon Davies and Paul Taylor

Bad tidings can expect no mercy

Bearing bad tidings is never an enviable role, but companies which reveal unexpectedly poor figures in this reporting season are likely to find the market in particularly unforgiving mood.

Even bullish analysts and investment institutions are not immune to misgivings that some individual shares have been over-rated in the recent market surge. Companies which do disappoint are likely to find their fall from grace all the steeper as a result.

Christian Salvesen, the distribution, specialist hire and food services group, got a foretaste of the market's mood last week when it announced a profits warning. The shares fell 16 per cent on the day and have subsequently drifted down to 25 per cent below their peak level in January.

The Edinburgh-based group struck a downbeat note when announcing flat interim results in December, but analysts were still disappointed last week by the extent of competitive pressure on Aggreko, the group's specialist hire business, which had been a star performer in recent years.

An important cause of the market's twitchiness was a greater wariness by companies towards contacts with analysts. This tightening up follows last year's censure by the Stock Exchange of LIG, the world's leading branded condom maker, for warning selected investors about a profits shortfall.

While the authorities have made it clear they will jump on any attempt to "drip-feed" bad news to the market, some companies have responded to this stricter reporting environment by issuing more regular trading statements. However, some groups, who might previously have tried to massage down expectations, may have baulked at issuing a full-scale profits warning.

These restraints apply equally to the transmission of good news and some companies may indeed surprise the market with the quality of their results. However, the scope for upgrades is inevitably limited. At current market ratings, the immediate risk appears to be on the downside.

Another important consideration is the performance of the sectors in which companies appear. Property groups and building and construction stocks have outperformed the market by nearly 50 per cent since the begining of last year, so there is room for short-term disappointment.

By contrast, any cheer from food retailers, which have underperformed by 40 per cent over the same period, would be as welcome as it would be unexpected.

Andrew Bolger

Results will shed light on broader trends

The table below shows some of the expected highlights of this year's results season. The figures and trading statements from these companies are awaited keenly, not only for their own significance, but partly for the light they should shed on broader trends.

The classic bellwether stocks, such as ICI, BTR and Reckitt & Colman, will provide useful pointers to the health of the world's main economies.

The historic and forecast figures, which have been supplied by stockbrokers James Capel, need a little explanation.

The forecasts for pre-tax profits and earnings per share are not necessarily the numbers Capel expects companies to report under FRS 3, the financial reporting standard for the profit and loss account which is now mandatory for British companies.

Capel's analysts follow the Institute of Investment Management and Research's definition of "headline" earnings, which often requires adjustment of figures prepared under FRS 3.

For example, the headline numbers, designed to provide a better guide to underlying profitability, exclude gains or losses on the sale of a discontinued operation. These would be included in figures calculated under FRS 3.

Capel has also adjusted the figures the companies reported last year on the same basis to make the comparison more meaningful.

The price/earnings ratios the Financial Times calculates for the newspaper's London Share Service and the earnings in the FT-SE Actuaries indices are also based on the Institute's headline earnings definition.

David Wighton

STOCKS TO WATCH

Reporting date	Company	Comment	Pre-tax profit £m 1993	1992	Earnings per share, pence 1993	1992	Dividend per share, pence 1993	1992
Feb 22	SmithKline Beecham	SmithKline showing good growth, despite pressure on health spending. Big worry is what happens to Tagamet when US patent expires this year.	1160	1047	28.0	24.9	10.5	8.7
Feb 22	Unilever	Unilever unlikely to report any respite in US detergents war with Procter & Gamble or pick-up in recession-hit Europe. There may be further restructuring provisions.	2300	2029	78.0	69.1	25.0	21.3
Feb 22	Guardian Royal Exchange	Composite insurance reporting season should be marked by fat investment gains and reasonable dividend rises. Market will be nervous if rate rises seem to be fading.	180	3	17.0	–0.3	7.5	7.0
Feb 23	British Aerospace	Turboprop provisions will drag pre-tax figures into red with Rover disposal profits yet to come. City will be hoping BAe has lost its capacity for nasty surprises.	65	–154	12.5	–24.1	8.0	7.0
Feb 24	ICI	Focus mainly on the company's comments about current trading. Likely to report that European markets have bottomed but price and volume increases very difficult.	300	139	22.5	0.8	27.5	27.5
Feb 24	British Gas	Earlier than expected end to company's monopoly of domestic gas market has raised questions about ability to maintain the pace of dividend growth.	1000	681	23.2	15.8	14.8	14.2
Mar 2	Vickers	Should be back in the black after two years of losses. Market hoping that, as promised, Rolls-Royce Motor Cars has broken even for the full year.	31	-29.5	7.4	-10.6	3.5	1.5
Mar 9	Standard Chartered	If there are no nasty shocks, focus will be dividend it has held for three years. It could jump by as much as 25 per cent, improving the shares' modest yield.	408	197	103	27	22	20
Mar 9	Cadbury Schweppes	While most UK-based food manufacturers have seen their margins squeezed by the supermarket price wars Cadbury will have had an excellent year.	400	334	29.3	26.5	14.3	13
Mar 9	RTZ	Apart from the figures themselves interest will focus on RTZ's comments about metal prices. Likely to argue recent rise due to speculation not fundamentals.	365	348	35.1	34.7	20.7	19.5
Mar 10	Barclays	Positive noises expected on current year, although bank is unlikely to make any moves to restore 1992 dividend cut. Forecasts vary wildly due to provision uncertainty.	760	-160	23.5	–16.3	15.15	15.15
Mar 10	BTR	BTR's global and industrial spreads offer good view of world's major economies. Given recent underperformance of shares, City braced for possibility of bad news.	1200	1035	22.7	19.5	11.5	10.8
Mar 10	Rolls-Royce	Rolls should be back in the black but markets still very tough. Group needs long-awaited pick-up in spares and comments here will shape 1994 forecasts.	75	46	4.6	3.4	5.0	5.0
Mar 10	TI Group	First full year from Dowty, which is struggling, but good US upturn elsewhere. Analysts hope for confirmation of landing gear merger with Messier-Bugatti	127	107	18.0	18.1	11.1	10.7
Mar 17	Arjo Wiggins Appleton	City hopes that these figures represent bottom of cycle for Arjo. Current year forecasts depend partly on comments on expected upturn in paper prices.	115	161	6.5	11.6	6.5	6.5
Mar 17	Guinness	Figures were well flagged at the time of the LVMH deal. Interest will centre on the current trading statement, following LVMH's buoyant comments earlier this year.	875	795	31.8	28.2	12.8	11.85
Mar 22	Bowater	Shares have started to recover after sharp derating and analysts hoping the company will be rather more positive than in September.	203	148	26.6	23.9	12.5	11.1
Mar 23	Kingfisher	Followers eager to learn whether slide in sales at Darty in France been stemmed and effect of pricing policy on sales at Woolworths and B&Q.	300	208	34.0	29.1	14.7	13.7
Mar 24	Reckitt & Colman	Provides good indicator of world consumer markets. Expected to report making solid progress in the US but continent remains a struggle.	285	248	44.5	39.6	17.7	16.2
Apr 13	RMC	Key question whether growth in demand from east Germany offsets slowdown in west. Analysts hoping contributions will be split out.	172	167	39.2	31.2	21.0	20.0
Apr 14	Blue Circle	Share price assuming that margins in the UK continue to improve and that price rises stick. Any signs of faltering could hit rating.	147	34.4	12.7	–4.7	11.25	11.25

Comments by David Wighton; Data by James Capel

COMPANY NEWS: UK

£85m provision for restructuring programme which will take three years to complete

First quarter loss of £8.9m for BOC

By Daniel Green

BOC Group fell into loss in the first quarter of its financial year as the result of an £85m provision against restructuring. The charge, announced to shareholders last month, left a pre-tax loss of £8.9m for the quarter.

BOC's shares rose initially on relief that the figures were not worse – some analysts had forecast a pre-tax loss of more than £10m, but they closed down 17p at 681p.

The company warned that pressures on profit margins in industrial gases would remain strong until economic recovery in its markets gathered strength.

Nor was there any indication of the company's progress towards finding a successor to Mr Patrick Rich, the chairman who last month said he would be retiring almost two years early in April.

Losses per share were 7.18p compared with earnings of 11.81p. Earnings per share before exceptional items were 9.42p.

Operating profits for the three months to end-December 1993 were £97.1m – 11 per cent less than a year ago but slightly more than in the previous three months to end-September.

An indication of the difficulty the company is having with its profits margins in gases is illustrated by virtually unchanged profits in the division – £75.4m against £74.7m last time, while turnover expanded from £545.3m to £610.7m.

Total turnover for the first quarter was £843.5m (£776.8m).

Profits from the healthcare division fell sharply on a year ago because of generic competition for its anaesthetic, Forane, on which US patent protection expired in January last year.

Healthcare turnover was £136m (£152m) with operating profits of £14m compared with £32.6m.

Sales growth from Forane's successor, Suprane, are still well short of bridging the gap.

Medical systems, medical devices and speciality products divisions all performed well, said BOC.

Mr Charles Lambert, chemicals analyst with Smith New Court, said that the results had done little to clarify the long-term prospects for the group and that the growth in turnover was the result of acquisitions in Germany and Poland.

The provision includes £25m for restructuring BOC's gases business worldwide and the balance will be largely for the healthcare side.

The restructuring programme begins this year and will last about three years. When complete it should produce annual savings of £60m a year, says BOC.

Tony Andrews

Drawing on new reserves: David Simon, right, and Lord Ashburton, chairman

Expanding Harry Ramsden's advances 34% to £815,000

By Andrew Bolger

Harry Ramsden's, the fish and chip restaurant operator, increased pre-tax profits by 34 per cent to £815,295 in the year to October 3, on sales ahead 15 per cent to £3.29m.

The Yorkshire-based group now has eight restaurants in the UK, following successful openings last summer in Edinburgh and Birmingham. It plans to open another five this year – in Bristol, Liverpool, Nottingham, Cardiff and Dublin.

Site searches continue with existing joint venture partners in Belfast and Aberdeen and the group has made new commitments to joint venture franchises with partners in Southampton and Chester.

It said: "Our experience in Hong Kong has enabled us to secure a franchisee in Singapore and we anticipate concluding a franchise agreement shortly with an operator in Melbourne. Our franchise partner in Jeddah has now acquired a site for development."

Net debt increased from £237,379 to £1.65m, giving gearing of 35 per cent, as the group invested in new joint venture franchises and purchased for £600,000 an amusement and fairground beside its original Guisely Restaurant on the outskirts of Leeds.

The group invested in Welbourne Ramsden's, a new fish and chip take-away chain of 11 small outlets in the south of England, which will not trade under the Harry Ramsden's name. It also completed an agreement with Ross Young's, a member of the United Biscuits group, to endorse the batter used on a new range of frozen fish sold under the Ross Chip Shop brand.

Earnings per share rose to 6.7p (5.4p). The final dividend is held at 3.5p for a maintained total of 4.5p.

Because group pre-tax profits had exceeded £800,000, the 2m B ordinary shares this week converted into ordinary shares, which are eligible for the final dividend.

Provision warning trims Dawson Intl share price

By David Blackwell

Dawson International, the Edinburgh-based textile company, yesterday warned that difficult trading conditions in the US would lead to "a very substantial exceptional provision" this year.

The shares fell to a low of 123p before recovering to close at 134p, down 7p on the day.

One analyst described the announcement as "very disappointing and extremely unsatisfactory." Estimates for the size of the provision ranged between £10m and £40m.

Dawson promised a detailed announcement "within the next few weeks when the size of the exceptional provision has been finally quantified."

Last December the group cut its interim dividend almost in half as problems in the US reduced pre-tax profits for the six months to September 25 by 41 per cent to £9.23m.

The group commissioned an independent review of its troubled US businesses – Dawson Home Fashions, which makes items such as shower curtains and bath mats, and JE Morgan Apparel, which makes mainly T-shirts and sweatshirts for what is known as the fleece and jersey market.

The board is now considering the most effective way of implementing the review.

Sir Ronald Miller, chairman, said yesterday that Dawson Home Fashions had suffered from increased import penetration as US retailers fought for market share. The battle between US retailers had also squeezed the fleece and jersey market, said Sir Ronald. Margins were very tight, volumes were down and there was a lot of spare capacity.

Dawson, which used to supply K-mart with fleece and jersey, has already closed four US plants. The two US problem sectors make up about half of Dawson's business in the US. The other half is taken up by thermal underwear manufacture, where the group has substantial market share.

BP makes second large oil discovery off Shetland

By Peggy Hollinger

Hours before British Petroleum unveiled its results yesterday, the group confirmed recent speculation that it had made a second significant discovery off the Shetland Islands.

The find is only about 15km from an existing discovery and has estimated recoverable reserves of between 250m and 500m barrels of oil.

BP said it intended to develop the discovery in a phased programme to ensure that it remained "robust at a low oil price". The company said it was proposing an early-production schedule which could produce up to 100,000 barrels a day within a few years.

BP holds a 50 per cent interest in the field, with the balance owned by Royal Dutch/Shell. The companies jointly own 10 blocks covering 1,500 sq km and intend to drill up to six wells in the area this year.

Confirmation of the field's potential on the day of BP's results may have been a calculated move aimed at reassuring shareholders that the company remained committed to investing in longer term opportunities, in spite of the squeeze on capital investment.

Mr David Simon, chief executive, was at pains to stress yesterday that lower capital expenditure did not necessarily mean fewer projects. The group's drive towards efficiency meant that many projects were running substantially below budget.

"We are getting more bang for the buck in most of the projects coming forward," he said. This year capital spending is targeted at between $4bn (£2.7bn) and $4.5bn.

The results were widely greeted by analysts as a substantial achievement in a difficult climate. "These were storming figures given the external conditions," said one.

However, the question remained of whether such performance could be sustained at a substantially lower oil price.

Mr Simon stressed the group's focus on margin improvement to help survive volatile price fluctuations. Year on year the company had made savings of about £500m through rationalisation, disposals and restructuring.

BP beat its target for disposal proceeds by raising £2.1bn in the year, compared with £1.1bn. Mr Simon said he expected a further $1bn to $1.5bn to be raised from asset sales in the current year.

Debt at the end of the year was $12.4bn, a fall of $4bn from its peak in 1992. The year-end figure represented 85 per cent of shareholders' funds.

BP benefited from a stronger dollar which contributed exchange rate gains of $200m and gained a further $135m as a result of revisions in petroleum revenue tax.

OFT asked to seek undertaking from MAI

By Raymond Snoddy

Mr Michael Heseltine, the trade and industry secretary, has asked the Office of Fair Trading to seek undertakings from MAI to remove competition concerns over its planned acquisition of Anglia Television.

The demand is similar to that made in the case of both Carlton Communications' acquisition of Central TV and Granada's hostile bid for London Weekend Television.

In both cases, it was decided not to refer the deals to the Monopolies and Mergers Commission, as long as the enlarged groups reduced their advertising sales operations to 25 per cent of the total television advertising market by August 1995.

Anglia's advertising is sold by TSMS, a sales house that also sells advertising for Central and Ulster Television. MAI's broadcasting company Meridian, the south of England ITV company, sells through Merlin.

Mr Heseltine said that on the basis of current advice, he expected to be able to resolve competition concerns without a reference – presumably on the 25 per cent principle.

● The Institute of Practitioners in Advertising has called on Granada to divest itself of some of its television advertising sales interests well before next August if it succeeds in taking over LWT. Allowing current arrangements to continue until then, would needlessly increase uncertainty.

United Carriers shows 15.6% underlying growth

By Andrew Bolger

United Carriers Group, the parcels and freight distribution company which will be floated next month, yesterday said that its underlying profitability increased by 15.6 per cent last year.

The pathfinder prospectus for the group, which is expected to have a market value of just over £50m, said operating profit on continuing operations before exceptionals rose from £4.6m to £5.3m in the year to December 31.

Turnover from continuing operations rose from £93m to £106.4m, including £11.2m of sales from Carpet Express since its acquisition in March. Parcels volumes were up by 7-8 per cent, but part of the specialist distribution business suffered from lower car sales in continental Europe.

A placing will raise about £7m of new money. In the short term, the proceeds will be used to reduce borrowings and strengthen the balance sheet, which has gearing of 42.5 per cent.

However, Mr Allan Binks, chairman and chief executive, said the group would invest about £7m over the next two to three years in the further development of the United Carriers depot network, which specialises in the distribution of heavy consignments, from 25kg to 250kg.

United Carriers and certain other businesses were acquired from Bunzl in a management buy-out in 1989, supported by institutional investors led by Phildrew Ventures.

The management team – which currently has a 20 per cent stake in the company – rationalised the core parcels and freight distribution business and improved profitability by focusing on the higher weight segment of the market.

The group also operates specialist transport and distribution businesses, covering Vauxhall automotive components and cars; Carpet Express, which supplies retail and wholesale outlets; and Homelink, which provides a home delivery service for large mail order houses. It also supplies dedicated distribution services for corporate customers.

The listing is being sponsored by Lazards, with UBS acting as broker to the placing. The prospectus is expected to be published on February 24 and dealing in the shares should start on Thursday, March 3.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres-ponding dividend	Total for year	Total last year
Amstrad	int	0.2	Apr 21	0.2	-	0.5
BP	fin	2.1	May 9	2.1	8.4	10.5
Drayton Far East	fin	0.55	Apr 5	0.5	0.675	0.625
Fulcrum Inv	int	2.65	Mar 31	-	-	13.07§§
Jersey Phoenix	int	1.25‡	Mar 24	1.25	-	5.25
Kleinwort High	int	1.875‡‡	Apr 5	1.875	-	7.5
Ramsden's (H) §	fin	3.5†	Apr 12	3.5	4.5	4.5
Seacon §	fin	3.4	Apr 5	3.1	5.7	5.1
Updown Inv	fin	13	Mar 22	12.5	13	12.5

Dividends shown pence per share net except where otherwise stated. †On increased capital. §USM stock. ‡Second interim making 2.5p to date. ‡‡Second interim making 3.75p to date. §§For 18 months.

This advertisement is issued in accordance with the regulations of the London Stock Exchange. It does not constitute an invitation to the public to subscribe for, or purchase, any shares. Shoprite Finance (UK) P.L.C. announced on 9 February 1994 a Placing of 15,000,000 Cumulative Redeemable Preference Shares 2009 of 5p each. Application has been made to the London Stock Exchange for the Preference Shares to be admitted to the Official List. It is expected that such admission will become effective and that dealings will commence on 17 February 1994.

Shoprite Finance (UK) P.L.C.

(Incorporated in England and registered in England under the Companies Act 1985 Registered No. 2892860)

Placing of 15,000,000 7.875p (net)
Cumulative Redeemable Preference Shares 2009 of 5p each
at 100.036p per share
Guaranteed on a subordinated basis by
Shoprite Group P.L.C.

(Incorporated in the Isle of Man with registered number 935)

Barclays de Zoete Wedd Limited
and
Credit Lyonnais Laing

Share Capital

Following the Placing, the authorised and issued share capital of Shoprite Finance (UK) P.L.C. will be as follows:

Authorised		Issued and now being issued fully paid
£50,000	Ordinary Shares of £1 each	£50,000
£750,000	Preference Shares of 5p each	£750,000

Shoprite Finance, a wholly owned subsidiary of Shoprite Group P.L.C. (incorporated in the Isle of Man with registered number 935), will provide long term finance for the expansion plan of the Group's retail activities and in particular its planned store opening programme throughout the United Kingdom.

Copies of the Listing Particulars may be obtained during normal business hours, up to and including 15 February 1994, by collection only, from The Company Announcements Office, the London Stock Exchange, London Stock Exchange Tower, Capel Court Entrance, off Bartholomew Lane, London EC2, and up to and including 25 February 1994 (excluding Saturdays and Bank holidays) from:

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Centre House
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5 Appold Street
London EC2A 2DA

11 February 1994

GLOBAL VISION – EUROPEAN FOCUS

EGANA INTERNATIONAL (HOLDINGS) LIMITED
has acquired 70 per cent of the shares of
DUGENA HANDELSGESELLSCHAFT UHREN & SCHMUCK GmbH
West Merchant Bank acted for the purchaser. WestLB provided working capital finance.
West Merchant Bank

GROUPE CHAUVIN SA
has acquired
ANKERPHARM GmbH
from the
TREUHANDANSTALT
West Merchant Bank acted for the vendor.
West Merchant Bank

AMANN & SÖHNE
has acquired the textile operations of
ACKERMANN-GÖGGINGEN AG
which is majority owned by
PFERSEE KOLBERMOOR AG
West Merchant Bank acted for the vendor.
West Merchant Bank

A. AHLSTROM CORPORATION
has acquired
ELSO ELEKTROTECHNIK GmbH
from the
TREUHANDANSTALT
West Merchant Bank acted for the vendor.
West Merchant Bank

WELLA AG
has acquired a majority interest in
SEBASTIAN INTERNATIONAL INC
West Merchant Bank initiated the transaction and acted for the purchaser. WestLB provided acquisition finance.
West Merchant Bank

CHAMPION TECHNOLOGY HOLDINGS LIMITED
recommended offer for
MULTITONE ELECTRONICS plc
West Merchant Bank acted as advisor to the Board of Multitone Electronics plc.
West Merchant Bank

FRAMOCHEM Kft
has acquired the Fine Chemicals Division of
BORSODCHEM Rt
West Merchant Bank acted for the vendor.
West Merchant Bank

HAYS PLC
has acquired 75.1 per cent of
E. MORDHORST SPEDITION
West Merchant Bank acted for the vendor. WestLB provided acquisition finance.
West Merchant Bank

TRELLEBORG AB
has placed 11,000,000 shares of
MUNKSJÖ AB
in an international equity offering
West Merchant Bank acted as International Co-lead Manager.
West Merchant Bank

West Merchant Bank is an international merchant bank, based in London and owned by Westdeutsche Landesbank and Südwestdeutsche Landesbank through WestLB (Europa) AG.

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Sugar warns of possible deficit for full-year

Amstrad declines to £1.75m

By Paul Taylor

Mr Alan Sugar, chairman of Amstrad, warned shareholders yesterday that the consumer electronics group might report a full-year loss and said the level of final dividend would be "considered in the light of the second-half trading results."

The profits warning – the second in three months – came as the group reported an unexpected first-half operating loss and sharply lower pre-tax profits, reflecting fierce pressure on margins and a 31 per cent decline in turnover.

"Margins in the consumer electronics industry continue to be under pressure, due to an oversupply of product, price cutting and depressed demand," said the chairman. "Retailers are striving for higher margins on lower retail prices to compensate for excessive competitiveness in the market."

Pre-tax profits in the six months to December 31 fell from £5.61m to £1.75m. Despite this the interim dividend is maintained at 0.2p.

The shares closed 4¼p lower at 40¾p.

Turnover, including £7.03m from its Dancall mobile telephone acquisition, fell to £139.9m (£202.2m). Mr Sugar said the fall was due partly to the decision "to reduce activity in product categories with little or no margin." These included low margin personal computers which accounted for £23m of the sales decline, and video-recorders.

Colin Beere

Alan Sugar: margins in consumer electronics under pressure

Nevertheless, even after a £455,000 three-month contribution from Dancall, the group incurred a £1.89m operating loss, compared with a £9.1m profit.

Although Mr Sugar said the UK market, traditionally Amstrad's largest, had suffered the most, the group has also wound down its Spanish subsidiary and rationalised Australian operations.

The group was also forced to make £2.5m provisions to cover losses and bad debts reflecting difficult market conditions in Italy.

Despite the operating loss, Amstrad was able to report the modest pre-tax profit because of £3.64m (£3.75m) of net interest earned on its substantial cash balances.

By the end of the period cash balances had grown from £112m to £143m. However, although Amstrad is continuing to look at possible acquisitions, particularly in the telecommunications area, Mr Sugar said the group "would not be rushed or intimidated into making any bad choices to try to bolster the results of the company."

The group's "best expectations" for the full year would be to try and maintain a break-even position. However, he cautioned: "As the second half is traditionally lower in sales volume, the target we have set will be difficult to achieve, particularly if the much heralded upturn in the UK economy does not translate into consumer confidence."

See Lex

Templeton Emerging placing and offer

By Bethan Hutton

Templeton Emerging Markets, the largest UK investment trust in the emerging markets sector, hopes to raise new capital through a placing and offer for subscription of conversion shares.

The public offer is likely to be in March. On conversion, one warrant will be attached to every five new ordinary shares.

The trust subsequently plans a scrip issue in October, giving shareholders two new shares for every one they hold already. This should improve the liquidity of the shares, which are currently priced at about 450p.

A savings scheme attached to the fund allows investments of as little as £30 a month, so a lower share price would make it easier for those savers to invest.

Existing warrants for the trust expire in September. After the scrip issue, the trust plans to issue new warrants, with a 10-year life, on a 1-for-5 basis for all ordinary shares except those resulting from the conversion share issue, which will already have warrants attached. The terms of those warrants will be adjusted to put them on an equal footing with the new warrants.

Shares in the trust, which has assets of about £420m, have been trading at a premium to net asset value of as much as 17 per cent in recent months, but this has now fallen to about 7 per cent. Templeton raised £85m of new capital, through a placing and open offer, less than a year ago.

The trust has a wide geographical distribution between 21 countries.

Machine Tool interested in buying part of FMT

By Andrew Baxter

Machine Tool Services (GB), a small Lewes-based company which supplies spare parts for machine tools, has expressed interest in buying parts of FMT, the machine tool maker which called in the receivers last week.

MTS would not say which parts it was interested in but it is believed it is most likely to want the spares operation.

News of the approach comes less than a week after Mr Alan Bloom and Ms Maggie Mills of Ernst & Young were appointed joint administrative receivers at Brighton-based FMT, whose annual sales have fallen from nearly £20m in 1990 to £10m.

The receivership has shocked the UK machine tool industry and customers of FMT, although Mr Bloom said: "We are putting plans together with a view to continuing the business as a going concern."

The number of employees at FMT had fallen from more than 400 to about 150 before the receivership, and more than 40 jobs have been cut by the receivers – 30 at the main Brighton plant and the rest at FMT's other operations in Manchester and Newcastle.

MTS' potential involvement is somewhat ironic. It comes a few weeks after the Office of Fair Trading dismissed a case against FMT filed by the Lewes company, which had alleged that FMT had restricted its access to spare parts for its range of machining centres.

Ernst & Young said yesterday that the receivership was the result of four years of recession, and there was no single "flashpoint". Gearing was also heavy, and included borrowings against property.

Meanwhile, the Machine Tool Technologies Association confirmed yesterday that it had been helping Mr Bright set up meetings with the Department of Trade and Industry to recover £1m lost on a contract with Iraq.

According to The Engineer magazine, Mr Bright has blamed the government for not revalidating export licences originally issued by the Department before the Gulf war.

See Letters to the Editor

Starmin agrees to acquire private construction group

By Simon Davies

Starmin, the quarry products company chaired by Lord Parkinson, the former cabinet minister, announced yesterday that it had agreed to acquire a "large privately-owned construction group."

Starmin's share price climbed 1¾p to 5p on the news.

The acquisition was described as "significant in relation to the size of Starmin." It will be funded through a combination of new shares and cash, through a placement or rights issue.

If the deal goes ahead, the Abdullah family, the main shareholders, face greater dilution of control, as the owners of the construction company would take new Starmin shares and seats on its board.

It is understood that the family speaks for more than 25 per cent of Starmin's shares, but it has not indicated whether it will support the transaction.

The deal follows a period of great uncertainty for Starmin.

The Abdullah brothers resigned last July, when it was announced that the 1992 results would be re-examined due to accounting irregularities. Subsequently, the figures were restated, and the final dividend rescinded.

Mr Raschid Abdullah has since been re-elected to the board. But his brother, Osman, the former chief executive, is seeking £500,000 in compensation for loss of office.

The Abdullah family built up Evered, the aggregates company. But the brothers resigned in 1989. Taking control of SI Group in the same year they renamed it Starmin and launched numerous acquisitions.

Spending on Tower Wharf hits Seacon

By Gary Evans

Seacon Holdings, the USM-quoted shipping and distribution group, reported a 25 per cent fall in pre-tax profits from £2.28m to £1.72m for the year to September 30, on turnover ahead 3 per cent at £19.3m.

Mr Chris Roth, chairman, said the figures partly reflected heavy capital spending on the modernisation and development of Tower Wharf, in Kent, prior to it commencing trading.

In addition, profits from fleet and cargo handling operations were lower, caused by tighter margins reflecting depressed levels of inter-European trade.

However, Mr Roth said that there had recently been some evidence of improving margins in the short-sea trade.

He pointed out that an exceptional charge of £972,898 had been made to cover potential losses on arrangements for the sale of the Golden Lion Hotel, where it appeared that the purchasers would be unable to fulfil their obligations.

On prospects, the chairman said that with the coming on stream of Tower Wharf, he hoped for a marked improvement, though trade in general was only slightly livelier than a year ago. Export shipments were generally higher, but competition for freight contracts was fierce.

The recommended final dividend is increased to 3.4p making a total of 5.7p (5.1p). Fully diluted earnings per share dropped from 14.9p to 11.46p.

To improve marketability, the 25p ordinary shares are to be split into 10p shares.

The shares fell 6p to 235p.

Jessups warns of loss and replaces director

By Katrina Lowe

Jessups, the Essex-based motor dealer, said yesterday that it expected to report a loss for the 16 months to December 31 and also announced a board restructuring under which the managing director has been replaced.

The shares fell 20p to 96p.

The results, expected to be released on March 9, will show that trading in the motor dealerships in the last four months of 1993 was significantly below target and although vehicle leasing operations performed well, an overall loss resulted.

The disappointing showing has led to a board restructuring under which Mr Ron Joseph has been replaced as managing director by Mr Stan Thompson, managing director of the vehicle leasing operations. In addition Mr Ian Harris, who joined the group recently from Coopers & Lybrand, has been appointed finance director.

Mr John Ganney will remain on the board and will continue as company secretary.

In the 12 months to August 31 Jessups increased pre-tax profits to £707,000 (£506,000).

The company said yesterday that trading so far in the current year had been promising.

Canning's £1.4m Italian costs

W Canning is to make a special provision in its 1993 accounts of up to £1.4m for bad debts, in respect of certain substantial customers of its Italian electronic components business.

The Birmingham-based company, which also has speciality chemicals interests, said the provision would be out of a total exposure of £1.93m. After tax and minorities, it will reduce attributable earnings by about £500,000.

Canning said that overall sales and orders in its electronics components business continued to be very good and it did not, therefore, anticipate that sales or operating profits would be materially affected in 1994 by the Italian problems.

The shares, however, fell 8p to 185p yesterday.

A maintained final dividend of 4.35p is forecast, making an unchanged total of 7.29p.

Interim pre-tax profits fell to £1.83m (£3.02m) after an exceptional charge of £942,000 relating to the sale of an offshoot.

Final results are due to be announced on March 23.

Alpha shares rise to 172p on first day trading

Shares in Alpha Airports Group, which provides flight catering to airlines and retail services at airports, rose sharply on their first day of trading yesterday.

They closed at 172p, against the flotation price of 140p.

Alpha was formerly the airports division of Forte, which has retained a 25 per cent stake in the company. A total of 113.09m shares were offered, of which half were firmly placed with institutions. The remainder were subject to clawback to meet retail demand through intermediaries. The public offer was subscribed 6.1 times.

For the year to January 31 1994, Alpha is forecasting a 19 per cent rise in operating profits to £20.6m on turnover of £423.1m.

Energy Capital shares at 58p

By Tim Burt

Energy Capital Investment Company saw its partly-paid shares close up 8p at 58p on their first day of trading on the Stock Exchange.

Together with the warrants, which gained 3p on a 25p opening, yesterday's close represented a 13.6 per cent premium over the fully paid £1 share price.

PUBLIC WORKS LOAN BOARD RATES

Effective February 7

Years	Quota loans* EP†	AT††	maturity§
1			5⅛
Over 1 up to 2	5¼	5¼	5⅝
Over 2 up to 3	5½	5⅝	5⅞
Over 3 up to 4	5¾	5¾	6⅛
Over 4 up to 5	5⅞	5⅞	6⅜
Over 5 up to 6	6	6	6⅝
Over 6 up to 7	6⅛	6⅛	6¾
Over 7 up to 8	6¼	6¼	7
Over 8 up to 9	6⅜	6½	7
Over 9 up to 10	6½	6½	7⅛
Over 10 up to 15	6⅞	7	7¼
Over 15 up to 25	7¼	7¼	7⅜
Over 25	7¼	7⅜	7⅜

*Non-quota loans A are 1 per cent higher and non-quota loans B 2 per cent higher in each case than quota loans. †Equal instalments of principal. †† Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

BT

Third Quarter Results

Results for third quarter and nine months to 31 December, 1993

	3 months ended 31 December (unaudited) 1993 £m	1992 £m	9 months ended 31 December (unaudited) 1993 £m	1992 £m
Turnover	3,429	3,281	10,190	9,812
Redundancy charges	142	17	292	459
Operating profit	763	830	2,370	2,120
Loss on sale of group companies	4	-	2	135
Premium on repurchase of bonds	-	56	-	56
Profit before tax	698	705	2,198	1,732
Profit after tax	458	450	1,440	1,088
Earnings per share	7.3 p	7.2 p	22.9 p	17.3 p

Excluding the impact of redundancy charges and non-recurring items, the main year on year changes are:

■ Turnover up by 4.6% in the third quarter and up by 4.3% for the nine months

■ Profit before tax up by 8.5% in the third quarter and up by 4.4% for the nine months

■ Earnings per share up by 6.3% in the third quarter and up by 2.2% for the nine months

"It is encouraging that we continue to achieve steady volume growth despite growing competitive pressures. This improved demand is reflected in a 6.3 per cent growth in earnings per share in the third quarter after adjusting for redundancy costs and non-recurring factors.

We have recently announced further substantial price reductions and there are more to come. These emphasise the continuing need to control costs and improve efficiency."

Sir Iain Vallance
Chairman
10 February, 1994

If you have any queries as a shareholder please call 0345 010505. For daily recorded information on the BT share price and matters of interest to shareholders generally, please call 0345 010707. You may telephone these numbers from anywhere in the UK for the price of a local call.

British Telecommunications plc, 81 Newgate Street, London EC1A 7AJ.

WEST RAND CONSOLIDATED MINES LIMITED
(Company Registration No. 01/01978/06)
(Incorporated in the Republic of South Africa)

Cautionary announcement

Further to the previous announcements in this regard, shareholders are advised that negotiations which could affect the share price are still in progress, and until a further announcement is made shareholders are advised to continue to exercise caution in dealing in their shares.

Johannesburg
11 February 1994

The Financial Times plans to publish a Survey on International Corporate Finance on Monday, April 18.

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FT Surveys

* Source: EBRS 1993

CONTRACTS & TENDERS

ALBANIA

CRITICAL IMPORTS PROJECT INDIVIDUAL PROCUREMENT

NOTICE INVITATION FOR BIDS

IDA CREDIT 2404 - ALB Contract Name - No: MOH/181/BIS/94

The Government of Albania has received a credit from the World Bank towards the cost of the Critical Imports Project and now invites sealed bids from eligible bidders for supply of the following items through International Competitive Bidding under World Bank Procurement Guidelines:

Item 1, 35 units 5 seats 4 WD diesel vehicles, jeep type
Item 2, spare parts for above vehicles

Cost of bidding documents: USD 200. Bid submission deadline and public bid opening date: March 25, 1994, 12.00 Midday.

Bidding Documents are now available from the Project Implementation Unit, Ministry of Finance and Economy, and can be obtained from the same on submission of a written application and upon payment of the mentioned non refundable fee into the account no. 4561/107/01, maintained by the PIU at the National Commercial Bank of Albania, Tirana-Albania.

Bids will be opened in the presence of those bidders' representatives who choose to attend at midday 12.00 on March 25, 1994 at the Project Implementation Unit, Ministry of Finance, Tirana - Albania.

Further information can be obtained from:

THE WORLD BANK CRITICAL IMPORTS
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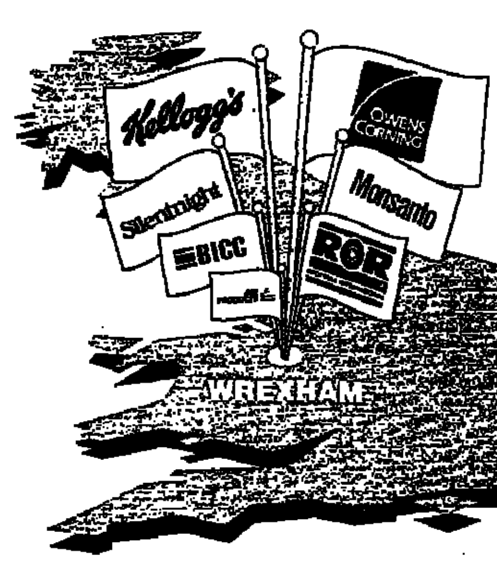

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COMPANY NEWS: UK

Uncertainty reigns in absence of a transaction

John Gapper reports on the greatest concern over Lloyds Bank: what it will do with its money

No bank which made a £1bn profit last year, as Lloyds Bank is expected to announce this morning, can exactly be said to be in trouble. Yet Lloyds' mantle as the most successful and profitable of Britain's banks shows signs of slipping.

The clearest evidence of this is in its share price, which although it outperformed the FT-SE-A All-Share index last year, rising 23.6 per cent, lagged behind the rises of other banks. As investors bought the shares of banks with the most obvious recovery potential, Lloyds was gradually de-rated.

It is appropriate that Lloyds should lead the results season for the big UK clearers, for it is already demonstrating the challenges that others could face in the next two years as they recover. Investors question whether it will hand back its strong capital in dividends, or expand by acquisition.

"People wonder about what Lloyds will do next, and some of that uncertainty is reflected in the share price," says Mr Rod Barrett, bank analyst at Goldman Sachs. But he argues that the underperformance is due mainly to growing confidence that other banks can replicate Lloyds' past successes.

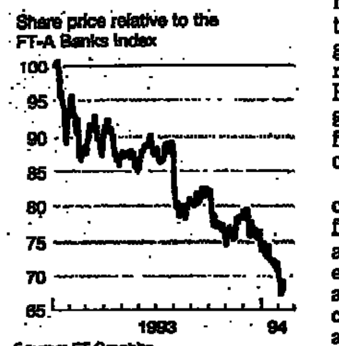
Lloyds' manoeuvres under Mr Brian Pitman, chief executive, have been both negative and positive. Negative ones were to exit from poorly-performing businesses such as international banking and merchant banking in the 1980s, and to refrain from selling its portfolio of problem country debt.

Mr Pitman's achievement was to focus earlier than others on domestic retail banking, and its spread into the French model of "bancassurance." He did so by acquiring a 60 per cent stake in Lloyds Abbey Life, and rooting a life insurance business within it.

These moves helped raise return on equity to 21.3 per cent in the first half of last year. The release of problem country debt provisions smoothed the effect of the UK recession. Some £122m was released in the first half, and £80m of interest arrears is expected to be written back in the second half.

Yet analysts point to the underlying sluggishness of the core retail banking business. Lloyds is expected to report virtually flat operating profits before bad debt provisions because its margins are under pressure, and it will not have the gains enjoyed by other banks from buoyant securities trading.

Lloyds Bank



Source: FT Graphite

The results are expected to show a continuing slackness of UK loan demand, which is holding back the revenue growth of all banks. Lloyds Abbey Life also faces difficulties selling products to Lloyds customers because of controversy over the selling of life insurance products and pensions.

Mr Barrett argues that Lloyds is unlikely to repeat its early growth.

"The idea of bancassurance will be questioned. Banks thought that it was an easy way of making money through branches, but it gets harder as they sell more complicated products to sophisticated customers," he says.

For all that, Mr John Leonard, a banks analyst at Salomon Brothers in London, says that Lloyds still has "further to go" in cutting costs and raising revenues in its core business. He believes it is also likely to gain more than other banks from recovery in the south-east of England.

The problem with simply continuing to squeeze profits from Lloyds' existing network and products is that analysts expect a further fall in margins as other banks rebuild their capital and are able to compete aggressively. This could mean pressure on Lloyds' historically high equity returns.

This problem bears on what remains the greatest uncertainty over Lloyds: what the bank will do with its money. Since its failed attempt to acquire Midland Bank in 1992, there has been speculation over which financial services operation it might buy to expand its customer base and squeeze unit costs.

There are two difficulties in doing so. One is that it has set a high return on equity hurdle for an acquisition in order to prevent a dilution of its own shareholder returns. A second is that other banks have become much more expensive in the past two years, and would now test Lloyds' purse.

The first difficulty may have been eased by the fact that its target return on equity for an acquisition may have to fall because of reductions in interest rates.

Trevor Humphries

Brian Pitman: focused earlier than others on retail banking

The second difficulty means that Lloyds may be more likely to take on a building society, despite the regulatory barriers.

Mr Leonard believes that Lloyds feels under no immediate pressure to do anything. "I have not got the sense that they feel themselves to be in a strategic box."

Yet Mr Pitman has said that Lloyds would become over-capitalised if its ratio of equity to assets rose above 6 per cent.

Other things being equal, this could happen by 1995, which is also the year in which Mr Pitman is due to retire. This is itself becoming a pressing issue, because he has no obvious successor. Unless a clear signal emerges today, questions over the future are only likely to increase.

NEWS DIGEST

Bank of Ireland's US arm in black

Bank of Ireland has finally staunched the financial haemorrhage at its US subsidiary.

New Hampshire-based Bank of Ireland First Holdings has cost the group over $700m (£470m) since 1988 when the clearing bank first ventured into the US market.

BOIFH yesterday reported its first-ever pre-tax profit of $8m for the 1993 year, achieved on income of $200m.

In 1992 a loss of $77m on income of $228m was reported, while losses in 1991 amounted to $123m.

Loan loss provisions were reduced from $64.6m to $23.7m, while non-performing assets have been cut from $136m to $31m.

Mr Pat Molloy, chief executive, said that the US subsidiary was now "well-positioned" to take advantage of a gradual economic recovery in the New Hampshire region, and is expected to make "a significant contribution to group profitability in 1994-95".

Burmine's Europa offer 47% taken up

Burmine, the Australian gold company, said its offer for Europa Minerals, the mining finance house, had been accepted in respect of 11.56m Europa ordinary shares, representing 47 per cent of the issued capital.

Acceptances totalling 499,362 (2.03 per cent) shares were from Europa's independent directors, who recommended the bid.

In January, shareholders holding some 52.5 per cent of the company said they would accept the offer.

Kleinwort High net asset value improves

Kleinwort High Income Trust had a net asset value per share of 117p at end-December compared with 84.5p a year earlier and 93.7p at the June 30 year-end.

The value per zero dividend preference share was 130.4p, 116.9p and 123.5p respectively.

Net revenue for the half year improved from £1.01m to £1.15m for earnings of 3.84p (3.37p) per share.

A second-quarterly-dividend of 1.875p makes an unchanged 3.75p so far. Directors intend to maintain the total for the year at 7.5p.

Jersey Phoenix earnings rise

For the half year ended December 31 available revenue of Jersey Phoenix Trust totalled £472,975 for earnings per share of 3.05p. That compared with £400,356 and 2.63p respectively for the corresponding period of 1992.

A same-again second interim dividend of 1.25p makes 2.5p (same) to date.

Static start for Dobson Park

Dobson Park Industries, the industrial equipment maker, has started the 1993-94 year with demand showing little improvement over the previous 12 months.

However, Mr Alan Kaye, chairman, told the annual meeting that parts of the industrial electronics business had contracts which provided a basis for an improved second half.

The toys division experienced a good level of demand during Christmas.

Hobson shares suspended

Shares in Hobson, the household products and commodities trading company, were suspended yesterday at 27p, up ½p, the highest level for the past 12 months, pending a further announcement about a large acquisition.

At the end of January, with the announcement of its interim results, the USM-traded company said it was in negotiations for the purchase of a "very substantial business".

Updown net asset value 33% ahead

Updown Investment saw its net asset value per share advance 33 per cent – from 531.1p to 705.13p – over the 1993 year.

Attributable profits at this Cazenove-managed investment trust improved from £593,000 to £641,000, including a net contribution of £70,000 (£10,000) from the investment dealing subsidiary. Earnings, taking in the offshoot, were 16.03p (14.82p) per share.

The single distribution for the year goes up 0.5p to 13p.

THE GOVERNMENT OF THE FAROE ISLANDS

NOTICE

inviting bids for preliminary surveys on the Faroese Continental Shelf

Seismic acquisition with a view to future oil & gas exploration

Permit features

* The invitation covers 190,000 km² of the designated shelf area inside of 200 miles
* In 1994, only two permits will be issued
* Each permit area will include half of an area of 50,000 km² to the east and south of the islands considered to be of special interest, plus the remaining 140,000 km²
* Work programme to be agreed
* Revenue sharing

Information available

The documents setting out the details of this invitation may be obtained from

The Faroese Petroleum Administration
Debesartrøð, FR-100 Tórshavn, Faroe Islands
Fax no. +(298) 18438/16148

Deadline

Bids should be submitted not later than 15.00 hrs. GMT on 21 February 1994.

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AUSTRALIA

Barclays de Zoete Wedd was lead manager to Reinsurance Australia Corporation Limited in the A$300 million initial public offering.

November 1993

CANADA

Barclays de Zoete Wedd acted as joint financial adviser to BCE Telecom International in the acquisition of a 20 per cent interest in Mercury Communications Limited for £480 million.

January 1993

PEOPLE'S REPUBLIC OF CHINA

Barclays de Zoete Wedd acted as lead international coordinator and underwriter of the US$52 million international offering of 100 million B shares for Shanghai Diesel Engine Company Limited.

December 1993

FINLAND

Enso-Gutzeit

Barclays de Zoete Wedd placed a 17.5 per cent stake of R shares in Enso-Gutzeit worth US$246 million.

September 1993

FRANCE

RHÔNE-POULENC

Barclays de Zoete Wedd was global co-ordinator in the international offering of 3,898,608 shares and public offering in France of 3,898,607 shares in Roussel Uclaf owned by Rhône-Poulenc at a price of FF563 per share.

July 1993

HONG KONG

Barclays de Zoete Wedd acted as bookrunner and joint lead manager to HSH Overseas Finance Limited in the issue of US$175 million 5 per cent bonds due 2001 guaranteed by, and convertible into ordinary shares of, The Hongkong and Shanghai Hotels, Limited.

December 1993

INDIA

SCICI Limited

Barclays de Zoete Wedd acted as bookrunner and joint lead manager in the US$100 million 3.5 per cent Euro convertible bonds due 2004 for SCICI Limited

November 1993

NORTHERN IRELAND

Northern Ireland Electricity

Barclays de Zoete Wedd advised Northern Ireland Electricity plc and de Zoete & Bevan were joint stockbroker for the placing and offer for sale of the company, raising £362 million.

June 1993

KOREA

DAEWOO

Barclays de Zoete Wedd acted as lead manager to the US$50 million 0.25 per cent Euro convertible bonds due 2008 for Daewoo Corporation.

October 1993

SWEDEN

Skandia Group

Barclays de Zoete Wedd led a bought equity deal of shares in Skandia Group Försäkring AB purchasing and placing the stakes held by Uni Storebrand and Hafnia for SEK3.14 billion.

June 1993

UNITED KINGDOM

ACT

Barclays de Zoete Wedd acted as financial adviser to ACT Group plc in the acquisition of BIS Group Ltd for £93.5 million from NYNEX Corporation.

June 1993

USA

Guardian Royal Exchange

Barclays de Zoete Wedd was adviser to GRE (UK) in the $100 million acquisition of a US subsidiary of American Ambassador Casualty Company from Allianz Group (Germany).

December 1993

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Corporate Finance

Ebbgate House
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London EC4R 3TS

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BZW

COMMODITIES AND AGRICULTURE

Zinc prices fall sharply as closure plan collapses

By Kenneth Gooding, Mining Correspondent

Zinc prices fell sharply yesterday after European producers admitted that their attempt to end over-capacity by the co-ordinated closure of one or two smelters had collapsed.

The price had been in free-fall since Tuesday as rumours spread the the closure plan was to be abandoned, but it continued to retreat and touched $963 a tonne on the London Metal Exchange at one point yesterday, nearly 7½ per cent below the $1,040 it reached last week when optimistic noises about the so-called smelter shut-down agreement were still emerging from the industry.

In late trading zinc for delivery in three months regained some ground to close at $969.75 a tonne, down $13.25, or more than 1 per cent, from Wednesday's close.

Analysts suggested there was strong technical support between $940 and $960 a tonne but even this level might be vulnerable if investment funds returned again as determined sellers.

There was considerable disappointment among producers that a second attempt to deal with the structural overcapacity that had plagued the European zinc industry for 20 years had come to nothing.

Only a week ago Mr Jacques Spaas, secretary-general of Eurometaux, the Brussels-based organisation that has provided a forum for the producer talks, said a formula had been worked out and producers now only had to agree to support it. The arrangement would have involved one or two European smelters being closed and the expense being shared by the industry as a whole – provided the European Commission gave its approval.

Yesterday a short statement from Eurometaux said the talks had been suspended and no new meetings were foreseen but added: "It is still believed that the overcapacity in Europe has to be addressed and that structural changes within the European zinc industry will have to occur. Developments over the last months are demonstrating that such changes are beginning to take place".

Producers refused to discuss the reasons for the collapse in negotiations. It is known that they were particularly concerned about anti-trust problems. Mr Wim de Graaf, general manager of the Budel smelter in the Netherlands, said on Tuesday that there were still "quite a lot of legal issues involved".

Also, since discussions started in June, the industry's outlook has been transformed by the financial problems of two big European groups – Metallgesellschaft of Germany, which owns the Rhurzink smelter, and the Spanish banking combine, Banesto, which controls 58 per cent of Asturiana de Zinc. These are now under new management. Metaleurop, the French offshoot of Germany's Preussag, has also reported big losses recently.

Zinc stocks on the LME have doubled in the past year and moved above 1m tonnes for the first time last week. Industry-wide stocks are over 1.5m tonnes and Mr Angus MacMillan, research manager at Billiton-Enthoven Metals, suggests that annual output cuts of 500,000 tonnes are now required to bring the market back into balance.

Sugar crop estimate reduced

By Deborah Hargreaves

E.D. & F. Man, the London commodities trading company has cut its estimate of this year's world sugar crop by 1.6m tonnes to 110.8m. Its latest report on the market outlook puts consumption at 113.3m tonnes, leaving a deficit of 2.5m tonnes.

The sugar crops in Thailand, Cuba, India and South Africa have failed to recover fully from last season's reduced output. In addition, shortfalls have emerged in China, Argentina and Mauritius.

New York sugar prices have remained at about 11 cents a pound, however, reflecting uncertainty about the prospects for demand. Flat consumption in east and central Europe and rumoured changes to the Russian import tariffs for sugar have had a dampening effect on prices.

Meanwhile, the Economist Intelligence Unit says improved prospects for most soft commodities are holding, though the impact of adverse weather in North America on grains and oilseeds is fading.

In the February issue of its World Commodity Forecast, the EIU says it sees little prospect of physical demand for metals picking up this year but that demand from futures markets has been booming.

Coffee 'on verge of major rally'

Coffee prices are on the verge of a major rally, according to brokers GNI in its latest "Market Alert", reports Reuter.

Forecasting a possible medium-term target of 95 cents a pound for the New York July contract, which yesterday was trading just below 79 cents), the report said estimates of lower Central American and Colombian crops this season had combined with signs the producers' retention scheme was starting to bite.

"The timing of any move in commodity markets can often be distorted by physical flows, and we believe the time is now right to look for a major rally in coffee."

GNI said doubts over Brazil's political ability to hold its retention scheme together had been a major factor in preventing prices from rising over the past eight months. But there were signs that the government had nearly caught up with its retention obligations for the October-December period and the decision to hand the scheme over to exporters should prove effective, it added.

The government would still be responsible through the auction system for retaining coffee registered before February 3, "and consequently two programmes will be working at once. . . this will soak up the remainder of the 1993-94 crop"" the report said.

In addition, the 1994-95 crop was expected to be 4m bags (60kg each) lower than this year's estimated 23m.

Cotton trade to lobby against export bans

By Deborah Hargreaves

International cotton traders will travel to India and Pakistan next week to try to persuade the governments of those countries to lift export embargoes on cotton shipments. The Indian government suspended shipments on Tuesday following shortfalls in domestic production.

The cotton that is being held up by the export ban had been sold by tender to international traders. Those trading companies say they will now have to turn to the world spot market for higher-priced supplies to fulfil their own contractual obligations.

World cotton prices have risen sharply in recent weeks in response to news that production in China, the US, India and Pakistan – the world's biggest cotton growers – would be affected by bad weather and disease. Prices on the New York Cotton Exchange increased from about 50 cents a pound last September to 76 cents yesterday.

The US Department of Agriculture estimates that this year's world crop will fall by 2.5m bales from 1992-1993's 82.8m bales.

"The action of the Indian government is so short-sighted when it has spent so long building it's reputation as a reliable source of cotton," said Mr Colin Bernhardt, chairman of Liverpool-based cotton traders Ralli Brothers & Coney.

The Indians are holding back 200,000 bales – equal to about a week's consumption by domestic mills. This is a tiny fraction of the overall world cotton trade, which accounts for 23m bales, but the World Cotton Exporters Association – a group of international traders – is concerned about the precedent the move will set.

The Turkish government slapped on high export sales taxes on cotton last month in an effort to hold back shipments. But after protests from the European Union, Turkey agreed to suspend the tax on cotton contracted for export prior to its imposition.

MARKET REPORT

Aluminium falls as output cuts slow

ALUMINIUM prices were depressed yesterday by a slowing in the production cut bandwagon, following statements by Norway's Elkem and Sweden's Granges. News that France's Pechiney was to temporarily curb production at some stage cushioned the fall, however, and the London Metal Exchange three months delivery price closed $11.25 off the day's low at $1,278.25 a tonne, down $10.50 on balance.

The three months LEAD price broke below the $500-a-tonne level, in a culmination of this week's downtrend, with some sell stops pushing it to $492 a tonne at one stage. By the close it had steadied to $498.50 a tonne, down $4.75 on the day and $25 since the end of last week.

LME NICKEL largely traded in the plus column, with a dip below $5,800 a tonne for three months delivery reversed by keen buying interest. At the close the price was up $32.50 on the day at $5,835 a tonne.

Precious metals continued to trade in their established ranges at the London bullion market after New York markets opened largely in line with forecasts.

GOLD ended 45 cents higher at $382.25 a troy ounce, while cash SILVER was unchanged at $5.30¼ an ounce. PLATINUM fared better, widening its premium over gold with a $2.50 rise to $392 an ounce.

"The lack of Far East interest overnight didn't help the markets today," one dealer commented. Borrowing (buying cash and selling forward) against possible production disruptions during the South African all-party elections in April tightened physical platinum's liquidity, dealers said.

PALLADIUM, platinum's sister metal, saw continued strong physical interest and some investment fund buying on the futures.

Compiled from Reuter

Accountants say Norway subsidised salmon by 20%

By James Buxton, Scottish Correspondent

A study of the Norwegian salmon farming industry by the accountancy firm Ernst & Young has concluded that over the past five years it has enjoyed a 20 per cent subsidy on its cost of production from the Norwegian government.

The study also shows that over that period the Norwegian industry has consistently lost money. The losses have mostly been absorbed by the four major banks, which since 1991 have come under the control of the government. A further expected surge in Norwegian salmon output is likely to be financed by the government and its associated banks.

Ernst & Young says that Norway's high level of production at low prices could not have been achieved without direct grants and subsidies to producers; loans and guarantees awarded but subsequently written off; overpayments to the statutory marketing organisation, the debts of which were later written off by the government; and the continuing bankrolling of fish farming by the state-controlled banks.

The Scottish Salmon Growers Association and Sir William Lithgow, a leading businessman, commissioned the study in response to the crisis in the Scottish salmon industry, caused, they say, by Norwegian over-production and dumping.

It intends to use the report to press the UK government to take stronger action against Norway through the European Union, and to stimulate an EU investigation into unfair subsidies to fish farmers by the Norwegian government. It has already complained to the EU that Norway is dumping salmon.

Because of a surge in Norway's production, salmon prices in the EU collapsed last October. Norway produced 180,000 tonnes of salmon in 1993 compared with Scotland's 45,000 tonnes. Some 85 per cent of Norwegian salmon is exported to the EU.

In November the EU imposed a minimum import price of £2.64 a kilogram, but Scottish farmers said this was insufficient to restore their profitability. Last weekend the minimum import price was increased to £2.74.

The study says that the Norwegian salmon industry received more than £230m in state subsidies over the past four years.

The money came principally from Norway's Industrial and Regional Development Fund, which made loans that were not repaid and guaranteed 50 per cent of bank loans on which the fish farmers defaulted.

In addition the Norwegian government in 1991 wrote off the £177m debts of the Fish Sales Organisation, the statutory salmon marketing body which, the study says, had been overpaying salmon farmers for their fish.

A further £35m was spent financing a programme to freeze salmon and sell them outside the EU.

The report points out that following a series of banking crises up to 1992, the state now controls the four biggest Norwegian banks and through them 50 per cent of the salmon industry. It suggests that the bank-controlled and bank-financed farms are effectively being "bank-rolled pending a return to more favourable market conditions".

It calculates that direct subsidies averaged £295 a tonne in 1991 and 1992, while the writing off of the debts of the FOS was worth another £172 a tonne, making a total subsidy of £467 a tonne. That was 20 per cent of Norwegian farmers' average cost, calculated by the Norwegian consultants Kontall, of £2,370 a tonne.

The Norwegian government has consistently denied allegations of unfair subsidies and dumping. It argues that it makes no specific subsidies to salmon farmers and that the general subsidies available are in accordance with EU rules on state aid. Its assistance to the freezing programme was to the benefit of Scottish as well as Norwegian farmers.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1257-8	1278-8.5
Previous	1267-8	1288.5-9
High/low	-	1282/1270
AM Official	1257-8	1278-8.5
Kerb close		1279-9.5
Open int.	277,748	
Total daily turnover	42,014	

■ ALUMINIUM ALLOY ($ per tonne)

	Cash	3 mths
Close	1111-7	1130-5
Previous	1131-6	1150-4
High/low	-	1140/1125
AM Official	1106-8	1125-30
Kerb close		1140-5
Open int.	3,386	
Total daily turnover	368	

■ LEAD ($ per tonne)

	Cash	3 mths
Close	485-6	498-9
Previous	480.5-90.5	503.5-5
High/low	-	508/492
AM Official	480-80.5	493-3.5
Kerb close		497-8
Open int.	35,090	
Total daily turnover	4,662	

■ NICKEL ($ per tonne)

	Cash	3 mths
Close	5770-80	5830-40
Previous	5740-45	5800-5
High/low	5760	5850/5780
AM Official	5700-70	5810-20
Kerb close		5840-5
Open int.	55,251	
Total daily turnover	6,065	

■ TIN ($ per tonne)

	Cash	3 mths
Close	5367-70	5415-20
Previous	5340-45	5395-6
High/low	-	5450/5390
AM Official	5370-80	5425-30
Kerb close		5440-50
Open int.	19,107	
Total daily turnover	2,990	

■ ZINC, special high grade ($ per tonne)

	Cash	3 mths
Close	951-2	969.5-70.0
Previous	964-5	983.5-5
High/low	-	980/964
AM Official	949-9.5	968-8.5
Kerb close		972-3
Open int.	13,568	
Total daily turnover	34,150	

■ COPPER, grade A ($ per tonne)

	Cash	3 mths
Close	1854-5	1875-6
Previous	1953.5-4.5	1876-7
High/low	1852.5/1852	1885/1870
AM Official	1852.5-3.0	1874-5
Kerb close		1881-2
Open int.	256,563	
Total daily turnover	42,013	

■ LME AM Official £/$ rate: 1.4578

LME Closing £/$ rate: 1.4635

Spot 1.4630 3 mths:1.4572 6 mths:1.4536 9 mths:1.4500

■ HIGH GRADE COPPER (COMEX)

	Close	Day's change	High	low	Open int	Vol
Feb	85.70	-1.50	86.55	85.70	671	360
Mar	85.00	-1.25	87.20	85.40	32,616	1,374
Apr	85.80	-1.00	87.05	86.15	780	3
May	85.75	-1.00	87.05	85.55	17,162	3,974
Jun	55.85	0.95	-	-	848	15
Jul	85.90	-0.90	87.20	85.80	6,784	495
Total					68,532	6,369

PRECIOUS METALS

■ LONDON BULLION MARKET

(Prices supplied by N M Rothschild)

Gold (Troy oz.)	$ price	£ equiv.
Close	382.00-382.50	
Opening	383.00-383.40	
Morning fix	382.20	261.584
Afternoon fix	382.50	262.400
Day's High	383.10-383.50	
Day's Low	381.60-382.00	
Previous close	381.60-382.00	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	2.90	6 months	3.01
2 months	2.90	12 months	3.20
3 months	2.93		

Silver Fix	p/troy oz.	US cts equiv.
Spot	362.65	529.50
3 months	367.20	533.80
6 months	371.45	538.35
1 year	380.05	548.85

Gold Coins	$ price	£ equiv.
Krugerrand	384-387	263-266
Maple Leaf	392.75-395.20	
New Sovereign	90-93	62-65

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
Feb	382.0	-2.0	382.8	381.0	686	157
Mar	382.4	-2.0	383.7	383.7	12	4
Apr	383.5	-2.0	386.4	381.3	68,437	23,081
Jun	385.6	-2.1	388.0	383.5	29,157	305
Aug	389.6	-	-	-	4,984	58
Oct	392.0	-0.1	392.0	391.8	4,132	40
Total					137,597	23,926

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
Apr	393.8	+0.1	395.9	391.5	14,352	2,318
Jul	394.0	+0.1	395.5	393.0	2,969	182
Oct	394.7	+0.1	397.0	397.0	373	104
Jan	395.7	+0.1	398.5	395.6	219	18
Apr	396.7	+0.1	-	-	6	-
Total					17,910	2,602

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
Mar	134.00	-0.20	135.50	132.75	2,161	517
Jun	134.00	-0.20	135.00	133.00	2,628	437
Sep	133.90	-0.20	133.50	133.05	154	17
Dec	133.80	-0.20	134.20	134.20	120	1
Total					5,063	972

■ SILVER COMEX (100 Troy oz.; Cents/troy oz.)

	Sett price	Day's change	High	low	Open int	Vol.
Feb	531.2	-1.5	-	-	68,659	25,995
Mar	532.0	-1.5	542.0	526.0	21,990	1,828
May	535.5	-1.5	545.0	530.0	9,733	475
Jul	538.8	-1.5	546.0	534.0	3,006	320
Sep	542.3	-1.4	548.0	540.5	7,792	94
Dec	547.5	-1.3	558.0	544.0	23	-
Total					117,695	28,713

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Mar	14.69	+0.09	14.73	14.55	82,302	65,171
Apr	14.88	+0.11	14.89	14.74	76,230	48,774
May	15.07	+0.10	15.09	14.96	41,091	18,178
Jun	15.30	+0.10	15.32	15.19	55,237	12,845
Jul	15.50	+0.09	15.50	15.42	22,082	1,365
Aug	15.73	+0.12	15.74	15.65	12,840	1,062
Total					443,250	152,689

■ CRUDE OIL IPE ($/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Mar	13.58	+0.11	13.61	13.49	45,808	22,784
Apr	13.68	+0.14	13.73	13.59	68,724	23,891
May	13.85	+0.12	13.91	13.77	20,595	3,358
Jun	14.05	+0.11	14.08	13.98	11,389	1,261
Jul	14.25	+0.16	14.28	14.15	8,608	620
Aug	14.35	+0.13	14.36	14.35	4,064	222
Total					163,688	57,565

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Mar	50.30	+0.90	50.45	49.40	45,753	23,088
Apr	46.00	+0.63	46.10	45.40	38,024	9,533
May	44.55	+0.48	44.60	44.15	34,802	2,356
Jun	44.50	+0.53	44.45	44.10	22,759	3,514
Jul	44.85	+0.63	44.95	44.50	15,257	791
Aug	45.70	+0.68	45.80	45.60	8,357	571
Total					181,517	40,462

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Feb	139.75	-	140.00	138.50	14,678	5,901
Mar	143.25	+1.75	143.50	141.00	38,415	12,419
Apr	142.75	+1.25	143.00	141.25	15,343	5,189
May	141.75	+0.25	142.25	141.00	11,577	1,216
Jun	142.50	+0.25	142.50	141.75	14,342	485
Jul	144.50	+0.50	144.50	143.50	8,225	975
Total					120,869	26,803

■ NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu.)

	Latest price	Day's change	High	Low	Open int	Vol
Mar	2.439	+0.081	2.480	2.380	23,126	13,585
Apr	2.285	+0.041	2.295	2.245	17,102	5,148
May	2.190	+0.028	2.215	2.170	12,225	3,680
Jun	2.180	+0.018	2.180	2.140	9,637	1,675
Jul	2.150	+0.013	2.170	2.145	7,778	973
Aug	2.160	+0.013	2.175	2.155	9,678	522
Total					136,223	27,864

■ UNLEADED GASOLINE

NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Mar	43.30	-0.15	43.70	42.35	29,657	14,687
Apr	45.65	+0.07	45.90	45.10	31,797	9,338
May	46.35	+0.05	46.60	46.15	33,739	1,958
Jun	46.80	+0.15	46.95	46.50	14,233	1,604
Jul	46.95	+0.28	46.95	46.75	3,318	329
Aug	46.85	+0.38	46.85	46.40	3,015	12
Total					117,386	27,947

GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	98.30	+0.65	98.50	97.50	1,142	106
May	98.75	+0.40	98.85	98.20	1,986	263
Jan	99.00	+0.70	99.00	98.10	250	53

■ POTATOES LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	142.5	-	-	-	37	-
Apr	104.3	-1.4	105.7	104.0	1,674	58
May	124.6	-0.1	125.5	124.1	897	52
Jun	130.0	-	-	-	2	-
Nov	85.0	-	-	-	-	-
Mar	105.0	-	-	-	-	-
Total					2,618	110

■ FREIGHT (BIFFEX) LCE ($10/index point)

	Sett price	Day's change	High	Low	Open int	Vol
Feb	1150	-	1150	1145	128	12
Mar	1165	+3	1175	1164	318	32
Apr	1223	+8	1230	1210	1,156	117
Jul	1110	+10	1110	1105	220	10
Oct	1254	+8	-	-	241	-
Jan	1300	+10	-	-	74	-
Total					2,147	171

	Close	Prev
BFI	1170	1174

WOOL

A pause in the wool market rise showed signs of developing at closing sales last week, and was confirmed at the only two selling centres operating in Australia this week. Price declines did not go far and the official market indicator managed to rise one cent to 538 cents a kilogram yesterday, only 7 cents lower than a week before. Of some importance to wool buyers were interest rates changes which included a rise in the US and a reduction in the UK. Resulting currency changes put up the cost of most of the internationally traded wool since the Australian dollar continues to gain ground against the US dollar itself. The trade is unsure about the immediate outlook for wool prices, with offerings heavy in Australia but a possibility that Chinese buying may soon revive after a recent lull.

SOFTS

■ COCOA LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Mar	893	+13	895	880	28,943	1,511
May	902	+14	904	890	18,339	1,320
Jul	912	+11	911	903	11,586	559

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Jul	113.00	-1.70	114.20	112.90	2,303	633
Sep	115.00	-1.95	116.50	115.25	831	2
Nov	116.75	-2.15	-	-	543	-
Jan	119.00	-1.95	120.00	118.75	747	1
Total					17,282	1,180

VOLUME DATA

Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME, CSCE and IPE Crude Oil are one day in arrears.

INDICES

■ REUTERS (Base: 18/9/31=100)

Feb 10	Feb 9	month ago	year ago
1785.0	1783.4	1674.7	1757.1

■ CRB Futures (Base: 4/9/56=100)

Feb 9	Feb 8	month ago	year ago
227.58	227.23	226.30	202.23

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Feb	72.700	+0.025	72.950	72.575	9,591	4,110
Apr	75.025	-0.125	75.300	74.800	37,714	7,234
Jun	73.550	-0.050	73.700	73.425	20,187	3,411

LONDON TRADED OPTIONS

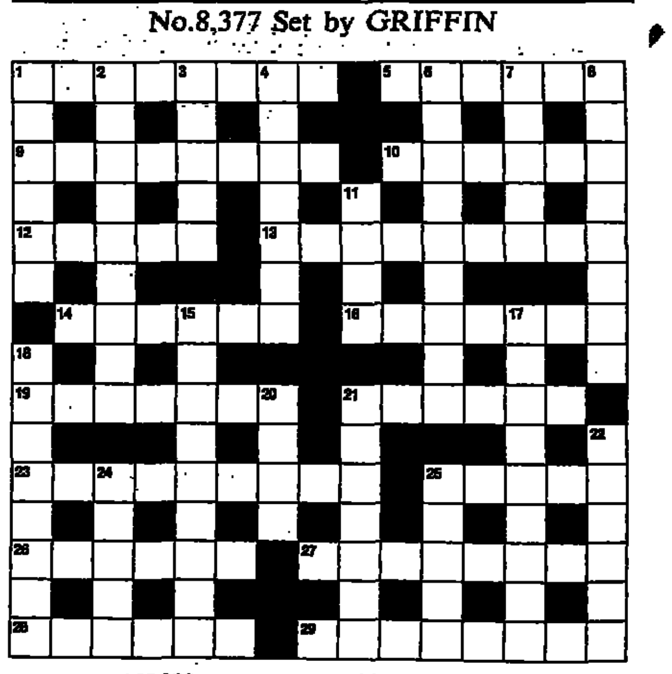
LONDON SPOT MARKETS

Cattle (live weight)†	123.21p	-0.48*
Sheep (live weight)†♠	112.90p	+2.22*
Pigs (live weight)	72.83p	+4.90*
Lon. day sugar (raw)	$271.50	+4.00
Lon. day sugar (wte)	$309.20	+2.20
Tate & Lyle export	$297.50	+3.00
Barley (Eng. feed)	Unq.	
Maize (US No3 Yellow)	£126.0	
Wheat (US Dark North)	£143.5	
Rubber (Mar)♥	64.50p	+0.25
Rubber (Apr)♥	64.75p	+0.25
Rubber(KL RSS No1 Feb)	234.5m	
Coconut Oil (Phil)§	$580.0x	
Palm Oil (Malay.)§	$390.0x	
Copra (Phil)§	$368.0	-7.0
Soyabeans (US)	£207.5y	+1.5
Cotton Outlook A Index	80.50c	-0.55
Wooltops (64s Super)	380p	+2

£ per tonne unless otherwise stated. p pence/kg. c cents/lb r ringgit/kg. m Malaysian cents/kg. y Feb/Apr w Mar. z Jan/Mar. t Apr. x Mar/Apr. ♥ London Physical. § CIF Rotterdam. ♣ Bullion market close. ♠ Sheep (Live weight prices). * Change on week, provisional prices.

CROSSWORD

No.8,377 Set by GRIFFIN



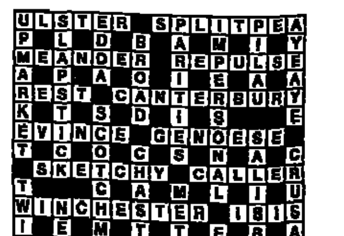
ACROSS

1, 5 Revealing information on recent changes making selling complex (8,6)
9 Best part of coming of age (8)
10 Live performance I have shortened (6)
12 Cross and cold, one wriggles round top (5)
13 Ape just used to prevent unlawful reproduction (9)
14 Unmarried lady journalist skipped (6)
16 You need firm soils for rebuilding big things (7)
19 During which strikers face delivery men? (7)
21 Filled out extra page first (6)
23 Abductor found person sleeping and turned in (9)
25 Something one reckons to find? (5)
26 Some big loose curtains for cold houses? (6)
27 Said "it's terribly cold", being cruel (8)
28, 29 Last week five sons drank liquid found in canteens (6,3,5)

DOWN

1, 18 down To amuse drunk left best part of candle to Dickensian character (6,8)
2 But the article backed no one! (9)
3 Risk for every one reaching fifty (5)
4 Spotted why the cake wasn't ready? (7)
6 Went round and round in goal (9)
7 Playing with ring removed from fastening (5)
8, 22 down They are currently good timekeepers (8,6)
11 Having soft ice mixture outside it's impressive (4)
15 Where what sopranos do spoilt opera? (9)
17 Observer article included unusual sport, etc (9)
18 See 1 down
20 Fools pop back on board (4)
21 Relate to exercises on a moving train (7)
22 See 8 down
24 Model highway in Indian capital (5)
25 Criminal is the fellow I imprisoned (5)

Solution 8,376



JOTTER PAD

LONDON STOCK EXCHANGE

MARKET REPORT

Bond market worries trigger big falls in equities

By Steve Thompson

The UK equity market came under further pressure yesterday, weakened by persistent selling of the FT-SE future and continuing worries about international bond markets.

The latter rallied in afternoon trading yesterday, dealers said, but remained nervous ahead of news of the US bond auction and amid wild rumours that one of the big US investment banks had taken a big loss on its international bond trading desks and that there had been departures from its bond trading team in London as well as sackings on its German and Japanese bond trading teams.

The speculation centred on Goldman Sachs. The investment bank said it would not respond to market rumours, but sources close to the bank said the stories were totally untrue. Talk that Goldman had suffered big losses in its trading activities since the US Federal Reserve increased its Fed Funds rate has been circulating in markets all week.

Dealers said a late slide on Wall Street, which was down almost 20 points after the London market had closed, and talk that one of the New York market's most influential commentators was expecting a 4 to 7 per cent short-term setback for the Dow Jones Industrial Average, would have a sizeable impact on London this morning. After hours saw the FT-SE 100 future trading at 3,386, indicating that the cash market would open well below 3,400.

"It is the last day of the account tomorrow and the market has been taking on lots of stock," said the head of trading at one top UK securities house. He said the market would be unable to hold the 3,400 markk and that the next level of real support would come at 3,350.

Account Dealing Dates	
*First Dealings: Jan 31	Feb 14
Option Declarations: Feb 10	Feb 24
Last Dealings: Feb 11	Feb 25
Account Day: Feb 21	Mar 7

*New time dealings may take place from two business days earlier.

The FT-SE 100 began the session on a firm note, opening almost 16 points higher and edging up to a day's best of 3,441.1 within an hour of the opening, supported by a solid start by gilts and sterling. However, a gradual deterioration in gilts, said to have been prompted by heavy selling from the US, upset those stocks and undermined sentiment in equities, where US houses were said to have been aggressive sellers of stock.

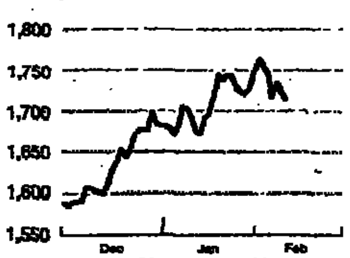
The Footsie fell away thereafter, testing 3,400 on the downside and reaching a session low of 3,400.7 before stabilising and closing a net 22.1 off at 3,407. The FT-SE Mid 250 Index also reflected some determined selling in the marketplace, retreating 32.2 to 4,068.9.

Turnover in equities picked up again, reaching 995m shares, with non-Footsie stocks accounting for 671.7m shares, or 68 per cent of the total. The value of customer business yesterday was £2.04bn.

NatWest Securities, one of the London market's most influential securities houses, caused substantial weakness in the utilities area of the market after telling clients to take profits in the electricity subsector. A decision on whether the two English/Welsh generators will be referred to the Monopolies and Mergers Commission is expected this morning and could produce a big move in either direction, depending on the decision of the industry regulator.

BP, meanwhile, could not maintain an early strong rise triggered by good fourth-quarter figures and news of drilling success west of the Shetland Islands and closed lower on balance. There were strong rises, however, for NatWest Bank, after reports of switching out of Barclays, for Reuters, after its recent bumper figures, and for Vodafone, after big support from the US.

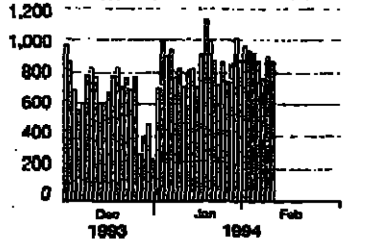
FT-SE-A All-Share Index



Source: FT Graphite

Equity Shares Traded

Turnover by volume (million). Excluding: Intra-market business and overseas turnover



Key Indicators

Indices and ratios

FT-SE 100	3407.0	-22.1	FT Ordinary Index	2619.4	-14.8
FT-SE Mid 250	4068.9	-32.2	FT-SE-A Non Fins p/e	22.36	(22.51)
FT-SE-A 350	1726.2	-11.8	FT-SE 100 Fut Mar	3399.5	-30.5
FT-SE-A All-Share	1715.97	-10.85	10 yr Gilt yield	6.58	(6.53)
FT-SE-A All-Share yield	3.30	(3.28)	Long gilt/equity yld ratio:	2.13	(2.15)

Best performing sectors

1	Other Ser & Business	+0.3
2	Gas Distribution	+0.3
3	Electronic & Elec	+0.2
4	FT-SE SmallCap ex IT's	+0.2
5	Household Goods	+0.1

Worst performing sectors

1	Electricity	-3.4
2	Oil Exploration	-2.5
3	Water	-2.4
4	Breweries	-1.8
5	Tobacco	-1.6

Regulator worries hit Recs

Regulatory worries upset the power generators and regional electricity companies (Recs) yesterday, prompting sharp retreats across the board.

The Recs were worst hit as NatWest Securities raised concern over their vulnerability to adverse news during the discussions with Offer, the industry regulator. The broker also believes selected stocks have been overbought, particularly in the light of what it considers "overstated" values put on the National Grid, owned by the Recs and set for flotation, possibly next year.

NatWest, which remains positive on the sector in the medium term, singled out Seeboard and Manweb as particularly vulnerable. Seeboard dropped 22½ to 386p and Manweb 38 to 796p. The negative sentiment also saw Yorkshire down 39 to 682p, Midlands 36 to 732p and Northern 36 to 738p. In spite of the steep falls, the broker said it believed the shares are due for a further correction. However, others disagreed, among them Hoare Govett, which had the sector marked as a hold, and yesterday moved to a buy on selected stocks.

PowerGen was another big casualty as the market fretted over today's decision from Offer on whether to refer the company and National Power to the Monopolies and Mergers Commission over the issue of pool electricity prices. "It could go either way," said one seasoned utility dealer. "The shares are either going to rocket or fall out of bed." Another said: "A referral would mean a 10 per cent downside – minimum." Yesterday's big fall in Powergen – down 17 to 525p – was said to be influenced by one leading house putting its money on just that outcome. National Power declined 12 to 461p.

Heavy BP trade

Initial reaction to fourth-quarter figures from BP saw the share price shoot through the 400p barrier, but after the company's meeting a more sober reaction saw the stock slip back. Hefty two-way business led to exceptionally heavy turnover of 24m shares.

The results showed BP back in profit, with a historic cost net profit of £615m after exceptionals, against a loss of £458m in 1992, and a replacement cost net profit of £896m, compared to a loss of £352m previously. Despite this, one analyst said: "David Simon (the chief executive) reminded the market that BP is sensitive to oil prices."

Even the most bullish analysts argued that it was time BP paused for breath, while Mr John Toalster of SGST, and the renowned bear of the stock, said: "The shares are massively overbought. When reality does set in, I would see them fall below 300p." Yesterday, BP shares swung back from a high of 407p to end a net 4½ down at 386½p, shrugging off confirmation of a large oil find west of the Shetlands. Shell Transport picked up to close 3 higher at 734p.

International stocks with strong US exposure held up well against a weak market as Salomon Brothers, the US brokerage, launched a £130m warrant on stocks geared to US recovery.

The house issued 10m call warrants, which give holders the right to buy underlying stock at a fixed date at 128p. Holders of 20 warrants can buy a basket of shares made up largely of shares in Hanson, the UK conglomerate, which generates more than 45 per cent of its turnover in the US. Hanson put on 1½ at 299½p.

The other companies are Carlton Communications (off 10 at 996p), Grand Metropolitan (down 11 at 450p), RTZ (8 cheaper at 866p), Siebe (3 easier at 579p) and Tomkins (up 3 at 258p).

Mr Marcus Grubb, Salomon's chief strategist, said: "As a basket the shares have underperformed the London market by 12 per cent over the past year and they all have a big exposure in terms of sales, profits and assets to the US.

The warrants expire in two years' time, when they will be exercisable into share baskets costing £258.60 each, a discount to yesterday's collective share price of £290.

A successful market debut for Alpha Airports, the airline catering group spun off from Forte, saw the shares open at 165p, a first day premium of 25p, and advance to end at 172p. Dealers said the shares were oversubscribed six times and Forte retained a 25 per cent stake. They also pointed out that the equity market had made gains since the shares were priced last week. Forte firmed a half-penny to 253p.

Initial enthusiasm to first quarter results from BOC dwindled away as analysts returned from a very cautious meeting with the new management. Realisation that profit margins were still under pressure in spite of volumes picking up saw the shares swing from a gain of 14 to end the day a net 17 lower at 681p.

Third quarter results ahead of market forecasts saw BT shares move smartly forward, only to be clipped back on profit-taking. They closed 1½ adrift at 455p on 9.3m traded. Most brokers raised full-year forecasts after the company reported improved inland calls and business connections.

Vodafone was one of the day's best performers, the shares jumping 15 to 630½p on talk of strong US buying and imminent upgrades in London. The mobile telecoms operator recently unveiled new connections for January at 27,500, over twice the figure in the previous year.

Exploration and production group Enterprise fell 15 to 549p in the wake of a strong sell recommendation from Nomura, the Japanese securities house, which has argued that its premium to the net asset value is unjustified.

Textiles were firm on the back of a sector conference hosted by S.G. Warburg but Dawson International fell 7 to 134p, after a low 123p on the back an announcement that the group would have to make provisions

The day's biggest retreat in the market was recorded in in motors group Jessups where the shares initially tumbled 36 to 80p, after it said it would reports a loss for the 16 months to the end of last year. Bargain hunters later on helped the shares claw back some of the earlier losses to finish 20 down at 96p.

Reports that international trading group Lonrho was planning a £100m convertible bond issue within the next few weeks did the rounds. The shares eased 3½ to 162½p, as 5.6m shares were dealt. Announcement of an acquisition saw Starmin, the aggregates group, rise 1¼ to 5p or more than 50 per cent - the biggest percentage gain in the London market.

MARKET REPORTERS:
Christopher Price,
Peter John,
Joel Kibazo.

■ Other statistics, Page 23

NEW HIGHS AND LOWS FOR 1993/94

NEW HIGHS (170).

BUILDING & CNSTRN (3) Ashtead, Laing (J) 8.4pc Pf, Tay Homes, BLDG MATLS & MCHTS (8) Cakebread Robey A, Ibstock Johnsen, Do Wrts., Kingspan, Roxspur, Ruberoid, CHEMICALS (8) AGA AB, Akzo, Canning (W), Headway, Kalon, Perstorp, Wolstenholme Rink, Yorks. Chems., DISTRIBUTORS (10) Brit. Fittings, Dagenham Mtrs., Denmans, Faber Prest, Gowrings, Hobson, Lookers, Norbain, Quicks, Vardy (Reg), DIVERSIFIED INDLS (4) Amer Grp., Armour Trust, Brierley, Hawtin, ELECTRNC & ELECT EQUIP (13) Abacus, Aztec (BSR), Contol Techs., Critchley, Danka Bus. Sys., Emess, Fujitsu, Gestetner, Sony, TDK, Thorpe (FW), Toshiba, Verity, ENGINEERING (10) Ash & Lacy, Atlas Copco B, Bromsgrove Inds., Cohen (A), Hall Eng, Metsec, Oxford Instruments, VSEL, Westland, Whatman, ENG, VEHICLES (1) Volkswagen, EXTRACTIVE INDS (8) FOOD MANUF (2) Golden Vale, Unilever, HEALTH CARE (8) Community Hosps., Isotron, HOUSEHOLD GOODS (1) Creighton Naturally. INVESTMENT TRUSTS (10) INVESTMENT COMPANIES (28) LEISURE & HOTELS (7) Bluebird Toys, Crockfords, Granada 7.5p Pf., Hornby, Hozelock, Manchester Utd., Savoy. MEDIA (13) OIL EXPLORATION & PROD (2) Monument Oil, Victoria Ptrlm., OIL, INTEGRATED (3) BP, Petrofina, Total, OTHER FINANCIAL (5) Carlisle, Christie, Jupiter Tyndall, OTHER SERVS & BUSNS (4) Atwoods, Cape Range, General Mtrs., UDO, PRTNG, PAPER & PACKG (6) Arjo Wiggins Appleton, Bemrose, Cropper (J), Inveresk, Jarvis Porter, St Ives. PROPERTY (4) Chesterfield, Hammerson, Trafford Park, Warner Estate, RETAILERS, FOOD (1) Greggs, RETAILERS, GENERAL (9) Flying Flowers, Moss Bros, Oliver Group, Signet 8 7/8p Pf., Sothebys, SPIRITS, WINES & CIDERS (1) Highland Dists., SUPPORT SERVS (4) ADT, BSM, ISS–Int Serv Sys B, MITIE, TELECOMMUNICATIONS (2) GN Great Nordic Dkr, Vodafone, TEXTILES & APPAREL (2) Abbeycrest, Readicut, TRANSPORT (4) CSX, Stagecoach, TNT, Tibbett & Britten, AMERICANS (6) CANADIANS (1) SOUTH AFRICANS (1)

NEW LOWS (4).

ELECTRNC & ELECT EQUIP (1) Utility Cable, RETAILERS, GENERAL (1) Burton, SUPPORT SERVS (1) Salvesen (C), TEXTILES & APPAREL (1) Dawson Intl.

EQUITY FUTURES AND OPTIONS TRADING

A poor gilts sector in both the UK and the US undermined early strength in Footsie futures that followed the good overnight Wall Street performance, *writes Joel Kibazo.*

Wednesday's New York market advance, coupled with favourable results from a clutch of leading UK stocks, helped the March contract on the FT-SE 100 to a firm start at 3,447. But doubts about that early strength set in within half-an-hour of the opening, leading to sporadic selling.

March drifted for the next few hours, pulling the underlying cash market lower, with the fall by UK gilts accelerating the decline.

With the weakness in European markets and US bonds leading to a further retreat in the afternoon, March finished at 3,399, a 7-point discount to cash. Volume at the official close totalled 16,741 contracts.

Turnover in the traded options rose to 57,352 lots, against Wednesday's 52,745. However, volume in the FT-SE 100 option showed a slight decline at 18,000 contracts.

Hanson was the busiest stock option with a total of 6,868 lots traded. Dealers said implied volatility was particularly high, indicating that a sharp decline was in store.

Dealings in the OMLX futures on the FT-SE Mid 250 were negligible and a mere 250 contracts were dealt.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	3447.0	3399.5	-30.5	3448.0	3384.0	19433	62352
Jun	3450.5	3414.0	-30.5	3453.0	3435.5	635	11425
Sep	-	3433.5	-31.0	-	-	0	390

Contract traded on APT. Open interest figures are for previous day.

■ FT-SE MID 250 INDEX FUTURES (OMLX) £10 per full index point

	Open	Sett price	Change	High	Low	Volume	Open int.
Mar	4120.0	4092.0	-26.0	4120.0	4080.0	235	1,959
Jun		4102.0					

All open interest figures are for previous day.

■ FT-SE 100 INDEX OPTION (LIFFE) (*3406) £10 per full index point

	3250		3300		3350		3400		3450		3500		3550		3600	
	C	P	C	P	C	P	C	P	C	P	C	P	C	P	C	P
Feb	158	3	112	7½	76	17	38	34	17	64½	6½	105½	2	155½	1	205½
Mar	173	24½	135½	38½	101	52	72½	73½	49½	107	31½	132½	18½	171½	11	215½
Apr	189	41	152½	54½	121	72½	92	93½	69	120½	49½	150½	35½	187	22½	225
May	212½	57½	175	70	148	90	116	110½	92	136½	71½	166	54½	199	41	236½
Jun†	-	-	192	81			132½	121			98	175			53½	242½

Calls 11,004 Puts 6,986

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

	3225		3275		3325		3375		3425		3475		3525		3575	
Feb	179½	2½	132½	3½	89½	11	53½	26	25½	47½	9½	83½	4	128½	1½	173½
Mar	194½	19½	152½	28	115½	40½	84½	59	58½	82½	38	112	23½	147½	13½	187½
Apr	297½	33½			135	60			79½	103½			41	164½		
Jun	242½	56			176½	88			122	131½			79	187		
Sept†	282½	79			218	112			163	153½			118	205½		

Calls 925 Puts 1,736 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

■ EURO STYLE FT-SE MID 250 INDEX OPTION (OMLX) £10 per full index point

	3950	4000	4050	4100	4150	4200	4250	4300
Mar	33	46	63	75½ 85½	53 113	37½ 146½	37½	22
Apr	43	66	84	107	88	89	40	36½

Calls 38 Puts 105 Settlement prices and volumes are taken at 4.30pm.

FT - SE Actuaries Share Indices — The UK Series

	Feb 10	Day's chge%	Feb 9	Feb 8	Feb 7	Year ago	Div. yield%	Earn. yield%	P/E ratio	Xd adj. ytd	Total Return
FT-SE 100	3407.0	-0.6	3429.1	3440.2	3419.1	2834.3	3.46	5.16	24.02	2.59	1248.88
FT-SE Mid 250	4068.9	-0.8	4101.1	4131.6	4077.1	3006.5	3.00	4.74	25.87	6.72	1479.02
FT-SE Mid 250 ex Inv Trusts	4086.9	-0.7	4116.1	4146.3	4092.8	3013.5	3.09	5.07	24.42	8.68	1480.71
FT-SE-A 350	1726.2	-0.7	1738.0	1745.3	1731.7	1398.2	3.35	5.06	24.43	1.87	1296.37
FT-SE SmallCap	2082.49	.....	2081.60	2081.31	2055.06	1518.39	2.83	3.37	38.00	2.70	1581.51
FT-SE SmallCap ex Inv Trusts	2058.08	+0.2	2054.77	2052.21	2028.58	1519.55	2.77	3.70	35.33	2.91	1565.87
FT-SE-A ALL-SHARE	1715.97	-0.6	1726.82	1733.58	1719.48	1361.00	3.30	4.94	25.06	1.89	1311.55

■ **FT-SE Actuaries All-Share**

	Feb 10	Day's chge%	Feb 9	Feb 8	Feb 7	Year ago	Div. yield%	Earn yield%	P/E ratio	Xd adj. ytd	Total Return
10 MINERAL EXTRACTION(16)	2676.32	-0.6	2693.36	2685.94	2616.89	2114.50	3.30	4.76	26.01	0.00	1043.97
12 Extractive Industries(4)	3999.97	-0.8	4033.61	4051.47	3915.74	3091.70	3.12	4.57	25.89	0.00	1076.42
15 Oil, Integrated(3)	2605.18	-0.4	2615.75	2577.09	2536.76	2009.40	3.36	4.90	25.43	0.00	1035.90
16 Oil Exploration & Prod(11)	1937.08	-2.5	1986.39	1989.18	1971.18	1970.30	3.08	3.71	34.65	0.00	1098.41
20 GEN MANUFACTURERS(264)	2207.92	-0.3	2215.43	2219.98	2190.67	1882.40	3.38	3.14	43.47	1.71	1093.26
21 Building & Construction(31)	1542.27	-0.5	1549.79	1569.10	1525.23	905.90	2.30	1.24	80.00†	0.48	1179.94
22 Building Matls & Merchs(30)	2317.41	-1.1	2342.58	2357.86	2318.17	1477.80	3.02	2.48	55.60	1.14	1061.81
23 Chemicals(20)	2463.32	-1.1	2490.38	2486.25	2469.26	2109.70	3.75	0.35	‡	0.39	1058.42
24 Diversified Industrials(16)	2212.98	+0.1	2210.82	2206.02	2174.58	1851.60	4.02	4.30	29.48	3.21	1094.54
25 Electronic & Elect Equip(34)	2229.78	+0.2	2224.42	2245.87	2236.34	1794.80	3.30	5.46	22.30	1.10	1059.49
26 Engineering(72)	1984.34	-0.3	1989.66	1989.83	1967.47	1420.40	2.72	1.97	80.00†	2.22	1108.62
27 Engineering, Vehicles(12)	2432.75	-0.5	2444.78	2471.87	2432.14	1766.40	4.26	3.16	44.27	0.06	1143.49
28 Printing, Paper & Pckg(27)	2981.60	.....	2981.69	2962.50	2897.97	2258.80	2.71	4.15	29.16	1.44	1145.47
29 Textiles & Apparel(22)	1995.82	-0.5	2005.55	2004.27	2006.09	1866.20	3.28	4.99	25.15	0.14	1098.94
30 CONSUMER GOODS(93)	2931.84	-1.0	2962.81	2977.43	2962.03	2903.90	3.81	6.70	17.60	5.62	978.92
31 Breweries(17)	2258.52	-1.8	2299.54	2321.76	2298.90	2129.20	4.03	7.60	16.17	9.84	989.62
32 Spirits, Wines & Ciders(10)	3053.45	-0.8	3079.33	3126.74	3110.72	2846.00	3.47	6.30	18.68	19.74	1000.47
33 Food Manufacturers(23)	2533.41	-0.5	2546.44	2535.63	2526.22	2342.60	3.60	6.65	17.82	2.80	1031.37
34 Household Goods(12)	2827.46	+0.1	2824.26	2845.95	2848.87	2401.20	3.03	6.49	17.86	0.00	987.44
36 Health Care(20)	1876.55	.....	1877.46	1876.10	1867.92	1817.40	2.86	5.11	23.37	0.82	1062.80
37 Pharmaceuticals(10)	3080.85	-1.3	3121.20	3135.72	3101.45	3421.30	3.91	6.59	17.68	0.00	945.27
38 Tobacco(1)	4207.13	-1.6	4274.24	4276.43	4326.77	4001.80	4.79	7.56	15.41	0.00	906.05
40 SERVICES(220)	2140.25	-0.1	2143.46	2146.29	2130.18	1750.60	2.77	5.29	22.93	2.51	1027.39
41 Distributors(31)	3215.84	+0.1	3212.47	3225.57	3218.94	2466.30	2.61	4.88	25.96	1.24	1086.85
42 Leisure & Hotels(22)	2310.71	+0.1	2309.28	2306.03	2303.75	1732.70	3.51	5.08	23.64	9.05	1117.99
43 Media(38)	3321.48	+0.1	3318.54	3292.71	3244.25	2187.80	1.84	3.97	29.90	1.60	1130.35
44 Retailers, Food(17)	1606.85	-0.9	1620.89	1613.88	1593.14	2010.90	3.81	9.94	12.49	1.82	933.05
45 Retailers, General(43)	1791.32	-0.2	1795.68	1804.45	1788.17	1427.20	2.66	5.17	24.24	1.75	995.52
48 Support Services(40)	1803.27	+0.4	1795.99	1819.57	1824.91	1530.20	2.17	6.38	18.07	0.83	1075.22
49 Transport(16)	2750.93	-0.3	2758.82	2781.76	2774.14	2028.60	3.04	3.31	34.21	2.48	1054.72
51 Other Services & Business(12)	1369.56	+0.3	1364.91	1354.79	1338.01	1379.30	3.47	3.13	45.46	0.60	1152.42
60 UTILITIES(36)	2626.72	-1.4	2664.96	2691.82	2687.17	2041.40	3.79	8.10	14.86	5.18	982.20
62 Electricity(17)	2451.65	-3.4	2537.47	2572.86	2555.25	1598.70	3.38	10.09	12.17	14.65	989.57
64 Gas Distribution(2)	2253.93	+0.3	2248.28	2257.88	2257.50	1895.30	5.20	7.54	16.58	0.00	995.85
66 Telecommunications(4)	2348.55	-0.3	2356.69	2375.00	2380.14	1916.20	3.36	6.02	20.34	0.00	976.73
68 Water(13)	2014.63	-2.4	2064.23	2094.17	2086.05	1727.30	4.59	11.24	9.82	3.48	989.32
69 NON-FINANCIALS(831)	1824.93	-0.7	1837.23	1842.10	1826.41	1620.88	3.37	5.47	22.36	2.29	1253.87
70 FINANCIALS(105)	2630.06	-0.3	2638.65	2663.35	2650.97	1795.80	3.18	3.07	48.53	0.66	1006.56
71 Banks(10)	3421.96	-0.4	3435.20	3488.31	3458.03	2218.80	2.77	3.63	36.78	0.08	999.33
73 Insurance(18)	1488.18	-0.3	1492.42	1509.16	1520.44	1296.10	4.46	‡	‡	0.09	980.53
74 Life Assurance(6)	2703.84	-0.1	2705.94	2768.26	2753.30	2334.00	4.32	4.50	27.97	0.00	993.36
75 Merchant Banks(6)	3684.74	-0.7	3710.28	3730.04	3653.52	2077.70	2.41	5.88	20.67	0.00	1079.67
77 Other Financial(25)	2248.24	+0.1	2246.94	2244.27	2209.19	1312.00	2.78	4.81	26.20	5.00	1170.57
79 Property(40)	1864.56	-0.4	1871.74	1879.84	1847.72	1097.70	3.31	2.98	44.58	1.76	1039.88
80 INVESTMENT TRUSTS(119)	3058.07	-1.2	3091.83	3114.21	3062.10	2231.00	2.09	1.67	59.74	5.33	1011.04
89 FT-SE-A ALL-SHARE(958)	1715.97	-0.6	1726.82	1733.58	1719.48	1361.00	3.30	4.94	25.06	1.89	1311.55

■ **Hourly movements**

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100	3445.0	3445.2	3432.3	3428.4	3426.1	3425.7	3409.6	3406.0	3408.3	3446.1	3400.3
FT-SE Mid 250	4101.7	4104.0	4102.2	4094.3	4087.7	4083.9	4072.9	4070.5	4069.2	4105.3	4068.0
FT-SE-A 350	1744.2	1744.5	1738.4	1737.0	1736.5	1735.0	1727.6	1726.0	1725.9	1744.7	1723.7

Time of FT-SE 100 High 8.37am Low 2.50pm

■ **FT-SE Actuaries 350 Industry baskets**

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous	Change
Bldg & Cnstrcn	1503.0	1502.0	1503.9	1509.9	1503.3	1500.6	1494.0	1490.0	1490.1	1490.1	1503.0	-12.9
Pharmaceuticls	3095.7	3085.3	3073.4	3070.7	3069.0	3070.0	3057.9	3050.3	3051.5	3049.9	3090.2	-40.3
Water	2052.7	2046.3	2045.7	2023.7	2027.5	2021.6	2011.1	2009.1	2010.1	2011.8	2062.0	-50.2
Banks	3494.1	3502.0	3487.5	3478.0	3469.3	3477.9	3468.9	3462.0	3450.8	3464.4	3477.8	-13.4

Additional information on the FT-SE Actuaries Share Indices is published in Saturday issues. Lists of constituents are available from The Financial Times Limited, One Southwark Bridge, London SE1 9HL. The FT-SE Actuaries Share Indices Service, which covers a range of electronic and paper-based products relating to these indices, is available from FINSTAT at the same address. The FT "500" has been renamed FT-SE-A Non-Financials Index. The FT-SE 100, the FT-SE Mid 250, FT-SE Actuaries 350 and the FT-SE Actuaries Industry baskets are calculated by the International Stock Exchange of the United Kingdom and Republic of Ireland and the FT-SE Actuaries All-Share Index is compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules. © The International Stock Exchange of the United Kingdom and Republic of Ireland Limited 1994. © The Financial Times Limited 1994. All rights reserved. "FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited. The FT-SE Actuaries Share Indices are audited by The WM Company. † Sector P/E ratios greater than 80 are not shown. ‡ Values are negative.

TRADING VOLUME

■ **Major Stocks yesterday**

	Vol. 000s	Closing price	Day's change
ASDA Group†	10,000	58	-1
Abbey National†	3,200	500	-8
Albert Fisher	1,100	67	
Allied-Lyons†	1,700	617	+1
Anglian Water†	678	549	-14
Argos	677	373	
Argyll Group†	2,500	258	-6
Arjo Wiggins†	1,000	298	
Assoc. Brit. Foods†	243	589	-5
Assoc. Brit. Ports	158	815	-3
BAA†	704	1043	-11
BAT Inds.†	4,300	502	-8
BET	529	145	+½
BICC	1,000	449	-5
BOC†	2,200	681	-17
BP†	24,000	386	-4½
BPB Inds.	2,600	352	-5
BT†	9,300	455	-1½
BT (P/Paid)	13,000	197	-1½
BTR†	5,700	383	-1
Bank of Scotland†	1,300	217	-8
Barclays†	8,800	580½	-8½
Bass†	2,000	532	-18
Blue Circle†	1,200	364	-8
Booker	2,200	453	+3
Boots†	1,000	549	-5
Bowater†	1,000	488	-8
Brit. Aerospace†	1,400	549	
British Airways†	3,500	475½	+½
British Gas†	5,400	339	+1
British Land	225	482	+1
British Steel†	12,000	143	
Bunzl	1,300	171	-1
Burmah Castrol†	275	861	-8
Burton	14,000	54½	-½
Cable & Wire†	7,000	489	-10
Cadbury Schweppes†	2,100	520	+2
Calor Group	69	344	-3
Caradon†	2,300	413	-2
Carlton Comms.†	1,200	996	-10
Coats Viyella†	2,500	272½	-2½
Comm. Union†	1,100	644	-8
Cookson	446	261	-1
Courtaulds†	647	514	-10
Dalgety	271	473	-7
De La Rue	891	948	+17
Dixons	1,100	214	+2
Eastern Elect.	3,300	684	-20
East Midland Elect.	879	676	-21
Eng China Clays	543	520	
Enterprise Oil†	1,100	449	-15
Eurotunnel Units	253	577	+10
FKI	1,000	195	
Fisons	6,500	128	-3
Foreign & Col. I.T.	528	289	-8
Forte†	295	253	+½
Gen. Accident†	1,100	670	-5
General Elect.†	3,400	344½	+1
Glaxo†	10,000	651	-11
Glynwed	292	382	+4
Granada†	3,900	584	+8
Grand Met.†	4,000	450	-11
GUS†	1,500	587	-1
GRE†	2,700	228	+5
GKN	1,900	580	-8
Guinness†	3,200	613½	+½
HSBC (75p shs)†	4,400	1034	+4½
Hammerson	12	424	+2
Hanson†	13,000	299½	+1½
Harrisons Crosfield	566	206	-1
Hays	591	318	+2
Hillsdown	402	176	+1
IMI	326	357	
ICI†	802	804	-8
Inchcape†	2,100	673	+7
Johnson Matthey	201	584	-4
Kingfisher†	604	645	+1
Kwik Save	297	583	-4
Ladbroke†	4,500	204	+2
Land Securities†	2,100	760	-8
Laporte	128	840	+1
Legal & General†	615	509	-1
Lloyds Abbey	4,600	449	+2
Lloyds Bank†	3,300	615	+2
LASMO	2,500	130	-4½
London Elect.	353	688	-21
Lonrho	5,600	162½	-3½
Lucas	762	223	-3
MEPC†	1,000	622	-7
MFI	2,400	180	
Manweb	268	796	-38
Marks & Spencer†	5,400	427	
Midlands Elect.	1,000	702	-36
Morrison (Wm.)	1,100	109½	-4½
NFC†	2,700	284	-5
NatWest Bank†	11,000	546	+7
National Power†	8,200	461	-12
Next	3,000	229	-4
North West Water†	725	582	-12
Northern Elect.	496	738	-36
Northern Foods†	1,400	233	-5
Norweb	844	735	-37
Pearson†	1,900	702	-10
P & O†	1,400	708	
Pilkington	5,600	196	+1
PowerGen†	4,700	525	-17
Prudential†	5,100	339	+2
RMC†	412	951	-16
RTZ†	1,900	866	-8
Racal	3,000	216	+1
Rank Org.†	1,100	1048	+2
Reckitt & Colman†	538	677	+1
Redland†	3,400	598	-21
Reed Intl.†	1,400	931	-10
Rentokil†	2,000	263	+5
Reuters†	1,400	2049	+31
Rolls Royce†	4,300	180	-2½
Ryl Bk Scotland†	1,800	472½	-15½
Royal Insurance†	2,200	318	
Sainsbury†	2,600	380	-3
Schroders†	360	1430	-15
Scottish & New.†	1,700	523	-10
Scot. Hydro-Elect.	2,200	427½	-15½
Scottish Power†	2,300	431	-13
Sears†	3,400	123	-1
Sedgwick	2,200	188	
Seeboard	930	386	-22½
Severn Trent†	2,200	602	-14
Shell Transport†	8,100	734	+3
Siebe†	1,500	579	-3
Slough Ests	112	298	-1
Smith (W.H.) A	1,000	488	-2
Smith & Nephew†	4,900	148	-½
SmKl Beecham†	4,300	415½	-2½
SmKl Beecham Uts.†	1,500	382	-6
Smiths Inds.	710	483	+2
Southern Elect.†	868	691	-23
South Wales Elect.	242	753	-33
South West Water	183	528	-18
South West. Elect.	425	689	-37
Southern Water	29	624	-20
Standard Chartd.†	1,000	1304	-32
Storehouse	615	232	-3
Sun Alliance†	1,500	365	-7
T&N	1,200	242	
TI Group†	971	410	-8
TSB†	4,800	259	-8
Tarmac	4,800	186	-8
Tate & Lyle	1,400	448	-5
Taylor Woodrow	7,800	164½	+½
Tesco†	8,300	225	+1
Thames Water†	2,500	568	-9
Thorn EMI†	1,600	1099	-15
Tomkins†	6,700	258	+3
Trafalgar House	14,000	122	+1½
Unigate	894	400	-10
Unilever†	996	1227	-8
United Biscuits†	369	354	-8
Utd. Newspapers	781	725	-1
Vodafone†	3,000	630½	+15
Warburg (SG)†	192	980	-10
Wellcome†	3,400	641	-8
Welsh Water	399	702	-21
Wessex Water	330	716	-16
Whitbread†	1,100	562	-8
Williams Hldgs.†	4,100	398	+1
Willis Corroon	1,100	221	+4
Wimpey	1,100	225	-5
Wolseley†	563	801	+1
Yorkshire Elect.	994	682	-29
Yorkshire Water	223	585	-22
Zeneca†	1,400	776	-8

Based on trading volume for a selection of major securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down. † Indicates an FT-SE 100 index constituent

LONDON EQUITIES

LIFFE EQUITY OPTIONS

Option		Calls Apr	Jul	Oct	Puts Apr	Jul	Oct
Allied-Lyons	600	39	49	58	13½	30½	37
(*617)	650	14½	24½	35	40½	60	65
Argyll	240	27	32½	36½	6½	14½	18
(*256)	260	14½	21½	26	15½	25	28½
ASDA	50	10½	13	14	2	3½	5
(*58)	60	4½	7	8½	6	8	10
Brit Airways	460	34	45½	54	16	27½	33
(*473)	500	14½	26	36	36½	49½	54½
Sall Bdm A	390	38½	60	58	12½	21½	28½
(*416)	420	20	34½	43½	54	62	68½
Boots	500	60½	69	75	4½	14½	18
(*549)	550	27	38½	45½	21½	33½	39
BP	360	36½	46	52½	7	16	20
(*387)	390	17	29	36½	20	28½	34
British Steel	140	12	17	20½	7	11½	14
(*143)	160	4	8½	12½	19½	24	28½
Bass	500	50½	60½	66	8½	18	23
(*531)	550	28½	32	41½	28½	41½	47
Cable & Wire	475	39½	54½	–	11	22	–
(*498)	500	25	41½	50	21½	34	41
Courtaulds	500	35½	46	53	14½	25	30½
(*515)	550	11	21½	30	41½	54	58½
Comm Union	600	51	68	69	11	19	25½
(*642)	650	20½	36½	42½	33½	43	50½
ICI	800	34	53	61½	37	52	63
(*807)	850	14½	31½	42	72	83	94
Kingfisher	600	62½	74	83	10½	25	32½
(*644)	650	31	45½	56	30	48	56
Land Secur	750	34	44½	51½	17	33	35½
(*760)	800	11½	21	28	47½	64½	66
Marks & S	420	23	31½	38½	12	21	24
(*427)	460	6½	14	21	36½	45	47
NatWest	500	52	62	67½	13½	21½	25½
(*542)	550	24	33½	42½	35½	45½	50½
Sainsbury	360	25	34	39	17	29½	32½
(*361)	390	12½	20½	27	36	48½	51½
Shell Trans.	700	42	55½	63½	13	21	30½
(*734)	750	13	29½	37	41	47½	56½
Storehouse	220	21	27	31	5½	11	14
(*232)	240	9	16	21	15½	21½	24
Trafalgar	120	12	19	24½	9	13½	16
(*122)	130	7½	14½	18½	14½	19	21½
Unilever	1200	53	74½	88½	31	46½	54½
(*1229)	1250	28½	49½	69½	60	73	81
Zeneca	750	49½	60	73½	26	36½	50
(*776)	800	17½	37	58	56½	68	78½
Option		Feb	May	Aug	Feb	May	Aug
Grand Met	420	36½	47	55	2	9	14½
(*449)	460	7½	22	31	14	25	32
Ladbroke	200	6½	18½	23	4½	16	20½
(*204)	220	2	10½	15	18½	29	33
Utd Biscuits	330	27	32½	37	2	11	15½
(*354)	360	5½	15	22	13	28	33
Option		Mar	Jun	Sep	Mar	Jun	Sep
Fisons	120	13½	19½	25	6	11½	15½
(*128)	130	8	14½	20½	11	17	21
Option		Feb	May	Aug	Feb	May	Aug
Brit Aero	500	55½	72	80	4	25½	32½
(*548)	550	18½	48½	63½	20½	46½	56½
BAT Inds	500	16	28	35	9	29½	41
(*501)	550	2½	9	17	51½	57	75
BTR	360	27	32	41	2	12	15½
(*382)	390	6	16	24½	12	25½	31
Brit Telecom	420	39	46	56	1	4½	11½
(*455)	460	6	19	27	9½	18	27½
Cadbury Sch	493	29½	34½	–	2	15	–
(*520)	542	2½	11	–	27	44½	–
Eastern Elec	650	40	58	79	2½	15½	29½
(*683)	700	7	28	42	22½	35½	52
Guinness	500	22½	37	48½	6	25	33½
(*614)	550	3½	15	28½	39	56½	63½
GEC	330	18½	27	33	2	7½	15
(*344)	360	2	10½	17	17½	23½	31½

Option		Calls Feb	May	Aug	Puts Feb	May	Aug
Hanson	300	6	13	18½	5	13½	18
(*300)	330	1	3½	8	30½	35	36½
Lasmo	120	11½	20½	25½	2½	9½	14
(*129)	130	6	15	20½	6½	15	19½
Lucas Inds	220	8	16½	23½	5	14	16½
(*222)	240	2	8	14½	20	26½	30½
P & O	700	22	44	63½	10½	36½	51
(*708)	750	3½	22	41½	45½	66½	79
Pilkington	180	19	25	31	1½	6	13
(*196)	200	4½	12½	19½	8	15	23
Prudential	330	14	20½	26	4	15	18½
(*338)	360	2	8½	13	23½	35	37½
RTZ	850	30	53½	73	7½	31½	45
(*866)	900	6½	29	58	36	60	71
Redland	550	53	62½	69½	1½	16	25½
(*598)	600	14½	31	40½	13	39	49
Royal Insce	317	10½	–	–	7½	–	–
(*317)	348	2	–	–	30½	–	–
Tesco	220	10½	18½	24½	4	14	17
(*225)	240	2	9	15½	17	26½	29
Vodafone	600	38	61½	77½	3½	21	35
(*630)	650	8½	31	52½	26½	45½	60½
Williams	390	13½	28	31½	4½	18	23½
(*398)	420	2	10½	18½	24½	37	41½
Option		Apr	Jul	Oct	Apr	Jul	Oct
BAA	1000	70½	87	105	16	32	39½
(*1042)	1050	40½	57½	77½	37½	54½	62½
Thames Wtr	550	36½	46	51½	12½	28	31½
(*567)	600	10½	20	27½	39½	59½	61
Option		Mar	Jun	Sep	Mar	Jun	Sep
Abbey Natl	460	47	50	59	6	12	19
(*499)	500	16½	27	36½	22½	29	37½
Amstrad	40	4	6	8	3	5	6½
(*41)	45	2	4	6	6½	8	9
Barclays	550	38	46½	60	12	22	32½
(*575)	600	11½	22½	36	41½	50	60
Blue Circle	360	18½	27	38	12½	28	35
(*364)	390	8	16	26	32	45½	54
British Gas	330	16	24	29	6½	15	19
(*339)	360	4½	9½	16	24	34½	37
Dixons	200	20½	29½	34½	4½	9	16½
(*213)	220	9½	18½	24	13½	18½	26½
Hillsdown	160	20½	22½	26	2½	7½	9½
(*175)	180	7	11	15½	10½	17	21½
Lonrho	160	13½	22	28	8½	15	20
(*162)	180	5½	13½	19	20½	27	32
Nat Power	420	45½	58½	64	5½	14½	22½
(*458)	460	19	32	43	19½	30	40½
Scot Power	420	21½	34½	43	10½	19	29
(*426)	460	6	15½	25	35½	42	51½
Sears	120	7½	11	13½	3½	7	9
(*123)	130	3½	6½	8½	8½	13½	15
Forte	240	19½	24½	30½	5	13	17½
(*252)	260	8½	14	22	14½	23	28½
Tarmac	174	19	25	–	4½	10½	–
(*186)	193	8	15	–	13½	19½	–
Thorn EMI	1050	66½	94	109	13½	27½	47
(*1097)	1100	33½	63	78½	33½	48	69½
TSB	240	21½	28	32½	5½	10½	14½
(*259)	260	8½	16½	23	14	19½	24½
Tomkins	240	24	31	36	4	7	13
(*258)	260	11	19	24½	11	15½	22½
Wellcome	600	55	71	90	11½	28	39
(*640)	650	25	45	64½	33½	53	65
Option		Apr	Jul	Oct	Apr	Jul	Oct
Glaxo	650	37	59½	70½	38	54½	69
(*650)	700	19	39	50½	71½	85	101
HSBC 75p shs	1000	81	116	144	55	83	103
(*1031)	1050	57½	93	122	81	108	128
Reuters	2000	111	169	206	69	104	130
(*2047)	2050	86	143	180	94	128	154
Option		Feb	May	Aug	Feb	May	Aug
Rolls-Royce	178	8½	–	–	3½	–	–
(*180)	195	1½	–	–	17	–	–

* Underlying security price. Premiums shown are based on closing offer prices.
February 10, Total contracts: 57,041 Calls: 35,958 Puts: 21,083

FT GOLD MINES INDEX

	Feb 9	% chg on day	Feb 8	Feb 7	Year ago	Gross div yield %	52 week High	Low
Gold Mines Index (34)	2040.63	-0.5	2050.02	2084.91	1055.05	1.86	2367.40	1095.05
■ Regional Indices								
Africa (15)	2665.17	-2.2	2724.25	2827.17	1177.40	5.16	3440.80	1177.40
Australasia (8)	2672.41	-3.3	2763.47	2770.65	1089.24	1.71	3013.89	1089.24
North America (11)	1777.53	+1.0	1759.58	1788.72	1072.72	0.53	2038.85	1069.49

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Figures in brackets show number of companies. Basis US Dollars. Base Values: 1000.00 31/12/92.
Predecessor Gold Mines Index: Feb.10: 214.8 ; day's change: - points; Year ago: 98.8 † Partial
Latest prices were unavailable for this edition.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	8	43	26
Other Fixed Interest	2	11	2
Mineral Extraction	68	71	68
General Manufactures	172	140	372
Consumer Goods	44	45	104
Services	124	92	304
Utilities	4	31	11
Financials	93	72	225
Investment Trusts	29	237	197
Others	67	29	27
Totals	611	771	1336

Data based on those companies listed on the London Share Service.

TRADITIONAL OPTIONS

First Dealings	Feb. 7	Last Declarations	May 12
Last Dealings	Feb. 18	For settlement	May 23

Calls: ASW, Aitken Hume, Aminex, BP, Bardon, Betterware, Emess, Hanson Wts, NSM, Pelon, Reuters, Signet Pref, Sleepy Kids, Standard Chartered, Utility Cables, WPP, Yorks-TyneT TV. Puts: Aitken Hume, NSM, Pelon, Sleepy Kids, Standard Chartered, WPP. Puts & Calls: Hanson Wts.

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt. cap (£m.)	1993/94 High	Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
140	F.P.	259.4	172	163	Alpha Airports	172		RN4.03	2.2	2.9	19.7
-	F.P.	89.9	75¼	68¾	Baring Emrg Euro	72½	-¼	-	-	-	-
-	F.P.	9.93	49½	33¾	Do Warrants	40	-¼	-	-	-	-
235	F.P.	70.3	268	250	Coda	268	+3	WN2.0	4.5	0.9	27.9
§90	F.P.	7.29	173	108	Comp Fin Sol	155	+7	N-	-	-	24.2
-	P.P.	10.4	58	55	Energy Capital	58		-	-	-	-
-	-	1.01	28	4	Do Warrants	28		-	-	-	-
100	F.P.	49.6	100	96	Fairbairn Eur Sm	97		-	-	-	-
100	F.P.	30.2	122	100	For & Col Small C	118½	-1	-	-	-	-
60	P.P.	18.0	60	59	Friends Prov Eth	60		-	-	-	-
120	P.P.	37.5	126	121	Do. Units	125	-1	-	-	-	-
60	P.P.	18.6	63	61	Do. Zero Div Pf	62		-	-	-	-
50	P.P.	467.5	49	42	Kleinwort Euro Pvt	43½		-	-	-	-
-	F.P.	42.0	49	41½	Do Warrants	42	-1	-	-	-	-
-	F.P.	5.63	93	83	Pantheon Wrts	83		-	-	-	-
§10	F.P.	2.23	12	10¼	Rossmont	12		-	-	-	-
§120	F.P.	13.4	148	122	Simma	142		R3.7	2.5	3.3	15.0
100	F.P.	42.3	96	91½	Taiwan Inv	94		-	-	-	-
-	F.P.	4.05	52	43	Do Warrants	45		-	-	-	-
-	F.P.	0.54	16	9	Thornton P.E. Wts.	13½		-	-	-	-
-	F.P.	3.08	52¼	51	Do. Zero Div. Pf.	51½	-¼	-	-	-	-

† Introduction. § Placing price. F.P. Fully-paid security. For an explanation of other notes, please refer to the Guide to the London Share Service.

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renun. date	1993/94 High	Low	Stock	Closing price £	+or-
-	F.P.	-	95	90	Budgens 5pc Cv 2003	94	
-	F.P.	-	130p	123p	Carlton Comm. 5.5p Cv. Pf.	127p	-½
-	F.P.	18/2	155¼p	127½p	Trafalgar Hse Cv Rd Pf	155¼p	+2¼
-	F.P.	-	131	107	Witan 8¼pc Bds	127	-1

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renun. date	1993/94 High	Low	Stock	Closing price p	+or-
46	Nil	17/2	20pm	8pm	Anglo Irish	19pm	
25	Nil	21/3	12pm	4pm	†Beckenham Grp	4pm	-4
120	Nil	16/3	112pm	103pm	Berisford	112pm	
11	Nil	28/2	20pm	15½pm	Carlisle	18½pm	+2½
53	Nil	23/1	24pm	16pm	Spring Ram	23pm	+2
275	Nil	25/3	40pm	38pm	Stanley Leis.	38pm	
10	Nil	1/3	22pm	17pm	Utility Cable	17pm	-4
51	Nil	25/2	12pm	8pm	Worthington	11pm	

pm Price at a premium.

FINANCIAL TIMES EQUITY INDICES

	Feb 10	Feb 9	Feb 8	Feb 7	Feb 4	Yr ago	*High	*Low
Ordinary Share	2619.4	2634.2	2641.9	2633.3	2669.2	2186.0	2713.6	2124.7
Ord. div. yield	3.51	3.52	3.51	3.53	3.48	4.33	4.52	3.43
Earn. yld. % full	3.84	3.86	3.87	4.00	3.94	5.89	6.38	3.84
P/E ratio net	33.09	31.70	31.76	31.56	31.98	21.54	33.09	19.40
P/E ratio nil	30.52	29.39	29.44	29.26	29.65	19.87	30.52	18.14

*For 1993/94. Ordinary Share Index since compilation: high 2713.6 2/02/94; low 49.4 26/6/40
FT Ordinary Share Index base date 1/7/35.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2649.5	2650.1	2641.8	2638.0	2633.5	2631.2	2618.6	2617.1	2623.3	2650.8	2613.6

	Feb 10	Feb 9	Feb 8	Feb 7	Feb 4	Yr ago
SEAQ bargains	40,185	35,951	41,169	54,033	38,950	33,737
Equity turnover (£m)†	-	2040.7	2083.7	2074.0	1863.4	1621.4
Equity bargains†	-	40,539	46,271	57,556	43,840	36,383
Shares traded (ml)†	-	877.9	899.8	766.3	650.3	744.1

† Excluding intra-market business and overseas turnover.

LONDON SHARE SERVICE

BANKS

	Notes	Price	+ or –	1993/94 High	low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl		£23½	–⅛	£25¼	£18¼	6,548	4.4	12.5
AKZ A$		288¼	+5¼	289	130	3,611	3.4	21.7
Abbey National	†□	500	–3	524	345	6,555	3.0	19.3
Allied Irish I£	♣†z□	282	–4	314	179	1,868	3.7	14.4
Anglo Irish I£	♣N□	66xa	—	*70	28	83.1	6.3	12.4
Asahi Y		894	+3¼	844	415	16,105	0.6	–
Banco Bil Vic Pta		£15¼	—	£17⅞	£13¼	3,635	5.2	7.1
Banco Sant Pta		£32¼	—	£38	£24⅞	3,599	4.2	12.2
Bank Leumi (UK)		375	—	375	325	38.7	5.7	–
Bk Ireland I£	♣uz□	282	–6	*318	177	1,329	4.4	20.8
Bank Scotland	♣†□	217	–8	247	116½	2,525	2.7	29.5
9¼pc Pf		138¼	+¼	141½	117¼	138.2	8.4	–
9¾pc Pf		144¼	—	148½	133½	144.8	8.4	–
Barclays	†N□	580½	–6½	652	362	9,421	2.7	–
Dai Ichi Kan Y		£12⅛	+⅛	£15⅞	£8⅛	38,632	0.4	88.5
Deutsche DM		£316⅜	+3⅞	£348⅞	£250½	18,017	1.9	–
Espirito Santo		£25⅞	—	£28⅞	£18½	274.8	3.1	6.2
First Nat Fin	N□	86xd	—	*95	45	146.7	2.1	–
6.3pc Cv Pf		88	—	*91	55	5.96	6.8	–
7pc Cv Pf		166½	+1	169	106	79.0	5.3	–
Fuji Bank Y		1419½	+35¼	1651	876	41,193	0.4	–
HSBC HK	†□	1055	+4	1133	474	18,908	2.4	25.2
HSBC (75p Shs)	†□	1034	+4½	1113	490	8,489	2.4	24.7
Lloyds	†□	615	+2	660	492	7,898	3.9	17.6
Mitsubishi Y		£18⅛	+⅜	£19¼	£11¼	82,234	0.3	–
Mits Tst & Bk Y		924¼	+24¼	1012½	482½	12,036	0.5	14.8
Mitsui Tst & Bk Y		713	+7	862	374	8,942	0.7	24.3
Nat Aust A$		600¼	—	620¼	322	7,888	4.0	14.6
NatWest	†□	548	+7	634	398	9,074	4.1	33.2
Ottomane FFr		£31¼	–½	£38	£23¼	158.8	4.7	9.3
Ryl Bk Scotland	♣N□	472½xd	–15½	528	307	3,758	2.9	21.4
Sakura Y		£9⅞	+⅛	£11	£5¼	31,257	0.6	58.9
Sanwa Y		£13⅛	+½	£16	£7¼	40,280	0.4	–
Standard Chartd	†□	1304	–32	1437	576	3,129	2.0	–
7 3/8pc Prf		104½	—	108½	103¼	104.5	8.8	–
Sumitomo Y		£13⅞	+⅛	£16¼	£8⅞	42,802	0.4	29.3
Sumitomo Tst Y		867½	+11¼	987½	437½	10,780	0.6	68.0
TSB	ø□	239	–6	291	145½	3,931	3.6	20.0
Tokai Y		£7⅞	+⅛	£9⅞	£4⅞	15,661	0.7	52.3
Toyo Tst & Bk Y		692	+11¼	840	411	5,439	0.7	61.7
Westpac A$		255	–1	260	121	4,470	2.1	ф
Yasuda Tst Bk Y	‡	594¼	+26¼	690	343	6,559	0.8	53.0

BREWERIES

	Notes	Price	+ or –	1993/94 High	low	Mkt Cap£m	Yld Gr's	P/E
Ascot Hldgs	□	6¼	–½	16½	4½	32.9	–	–
Bass	N□	532	–16	647	441	4,617	4.7	14.2
Boddington	†□	280	—	298	189	337.7	3.4	16.3
Burtonwood		173xd	—	193	129	36.0	3.5	14.5
Eldridge Pope A	♣N	166	—	181	75	32.3	2.7	23.0
Fosters A$		61	–1½	70½	50	1,963	4.7	73.0
Fuller STA	♣†	475	—	475	338	88.4	2.0	19.9
Gibbs Mew	♣†	378	—	403	148	24.3	2.8	18.5
Greenalls	♣ø N□	462xd	–1	511	347	984.2	3.3	15.9
Greene King	†N□	553	—	584	505	233.9	2.8	15.5
[illegible]		[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BUILDING & CONSTRUCTION

BUILDING MATS. & MERCHANTS

BUILDING MATS. & MERCHANTS - Cont.

CHEMICALS

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ELECTRONIC & ELECTRICAL EQPT - Cont.

ENGINEERING

ENGINEERING, VEHICLES

EXTRACTIVE INDUSTRIES

FOOD MANUFACTURERS

GAS DISTRIBUTION

HEALTH CARE

HOUSEHOLD GOODS

INSURANCE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

INVESTMENT COMPANIES

LEISURE & HOTELS

LEISURE & HOTELS - Cont.

LIFE ASSURANCE

MEDIA

MERCHANT BANKS

OIL, EXPLORATION & PRODUCTION

OIL, INTEGRATED

OTHER FINANCIAL

OTHER SERVICES & BUSINESSES

PHARMACEUTICALS

PRINTING, PAPER & PACKAGING

PROPERTY

PROPERTY - Cont.

RETAILERS, FOOD

RETAILERS, GENERAL

SPIRITS, WINES & CIDERS

SPIRITS, WINES & CIDERS - Cont.

SUPPORT SERVICES

TELECOMMUNICATIONS

TEXTILES & APPAREL

TOBACCO

TRANSPORT

TRANSPORT - Cont.

WATER

AMERICANS

CANADIANS

SOUTH AFRICANS

	Notes	Price	+ or -	1993/94 high	low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind		£19	-½	£19½	£7½	1,133	3.7	16.0
Barlow		£4⅞	+⅛	£5⅛	£4	865.9	7.2	8.3
Gold Fields SA R		£13½xd	-⅛	£18	£7¼	1,302	3.0	22.7
MK Props	s	95	—	97	68	3.82	9.3	39.1
SASOL	♥	337	+2	337	215	1,909	4.6	-
SA Brews		£13⅜	-⅛	£16⅛	£7⅝	7,129	2.1	21.8
Tiger Oats		713	—	838	513	1,071	2.3	15.1
Tongaat-Hulett	†	513xd	-4	622	212	393.9	2.9	14.3

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by Extel Financial, a member of the Financial Times Group.

Company classifications are based on those used for the FT-SE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- □ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ) and non-UK stocks through the SEAQ International system.
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ϕ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♣ Free annual/interim report available, see details below.
- ✤ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Not officially UK listed; dealings permitted under Rule 535(2)
- § Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ϕ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings
v Not subject to ACT.
z Dividend yield includes a special payment
F Yield based on prospectus or other official estimates for 1994-95.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1993.
K Yield based on prospectus or other official estimates for 1994
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1993-94.
N Figures based on IMR 'Headline Earnings'
P Figures based on prospectus or other official estimates for 1994.
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xl ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1225 a year for each security shown, subject to the Editor's discretion

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An international service is available for callers outside the UK, annual subscription £250 stg.

Call 071-873 4378 (+44 71 873 4378, international) for more information on FT Cityline.

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AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (✱) - 0001 to 1100 hours; (♦) - 1101 to 1400 hours; (▲) - 1401 to 1700 hours; (#) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point: a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation,
Centre Point,
103 New Oxford Street, London WC1A 1QH
Tel: 071-379-0444.

FT MANAGED FUNDS SERVICE

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TSB Unit Trusts (1200)F

T.U. Fund Managers Limited (1200)H

Templeton Unit Trust Managers Ltd (1200)F

Wardley Unit Trust Mngrs Ltd (1000)F

Whittingdale Unit Tst Mgmt Ltd (0830)F

Woolwich Unit Trust Mngrs Ltd (1700)H

OTHER UK UNIT TRUSTS

INSURANCES

AXA Equity & Law Life Assce

Abbey Life Assurance Co Ltd

Abbey National Life Plc

Aegon Life Assurance Co Ltd

Albany Life Assurance Co Ltd

Allied Dunbar Assurance Plc

American Life Insurance Co UK

Barclays Life Assur. Co Ltd

Black Horse Life Assurance

Britannia Life Assurance

Canada Life Group

Century Life Plc

City of Westminster Assurance

Clerical Medical Investment Group

Colonial Mutual Group

Commercial Union Group

Crown Financial Management Ltd

Crown Financial Management Ltd - Contd.

Eagle Star Life Assurance Co Ltd

Equitable Life Assurance Society

Family Assurance Friendly Society Ltd

Friends Provident

GT Unit Managers Ltd

General Accident

General Portfolio Life Insurance Plc

Guardian Royal Exchange

Hearts of Oak Insurance Group

Hearts of Oak Insurance Group - Contd.

Henderson Administration

Hill Samuel Life Assur. Ltd

Lancashire & Yorkshire Assce Society

Laurentian Life plc

Legal & General

Lincoln National

London Life

London & Manchester Assurance

M & G Life and M & G Pensions

Manulife Group

Mercury Life Assurance Co Ltd

Merchant Investors Assurance Co Ltd

Midland Life Limited

NM Life Assurance Ltd

N & P Life Assurance Ltd

NPI

National Mutual Life

National Westminster Life Assce Ltd

Norwich Union Life Insurance Soc.

Norwich Union Pensions Management Ltd

Pearl Assurance (Unit Funds) Ltd

Premium Life Assurance Co Ltd

Prosperity Life Assurance Co Ltd

Providence Capital Life Assc. Co Ltd

Providence Capital Life Assc. Co Ltd - Contd.

Provident Life Assoc Ltd

Provident Mutual Life Assc. Assn.

Prudential Assurance Co

Prudential Corporate Pension Funds

Prudential Individual Life Funds

Prudential Individual Pension Funds

Reliance Mutual

Royal Heritage Life Assurance Ltd

Royal Life Insurance Ltd

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Royal Liver Assurance

Royal Liver Building, Liverpool, L3 1HT. 051-236 1451

	Bid Price	Offer Price	+ or -	Yield Gross
UK Equity	81.2	87.6	--	-
Global Equity	62.5	65.8	--	-
High Yield	80.8	85.0	--	-
Intl Equity	89.6	94.3	--	-
Fixed Interest	81.2	85.5	--	-
Money	76.1	80.1	--	-
Managed	84.7	89.2	--	-
Pensions				
UK Equity	81.0	95.6	--	-
Global Equity	67.1	70.6	--	-
High Yield	94.6	99.63	--	-
Intl Equity	100.8	106.1	--	-
Fixed Interest	97.93	103.1	--	-
Money	84.2	89.2	--	-
Managed	95.8	100.9	--	-
Tax Exempt				
Tax Exempt Mgd	71.3	75.0	--	-

S-E-Banken Life Assurance Co Ltd

149-151 High Rd, Chadwell Hth RM6 6PJ 081-597 7506

	Bid Price	Offer Price	+ or -	Yield Gross
Managed Fund	162.7	171.3	-0.5	-
Pension Mngd Fd	184.3	194.0	-0.7	-

Save & Prosper Group (z)

16-22 Western Rd, Romford RM1 3LB 0708-766966

	Bid Price	Offer Price	+ or -	Yield Gross
Bal Inv Fd	792.9	839.1	+0.9	2.10
Corporate AG Bond Fd	171.2	181.2	+0.9	-
Deposit Fd	380.0	381.0		5.76
Directors' Portfolio	89.2	94.4	-0.2	-
Equity Pens Fd	203.7	215.4	+0.7	-
European Mngd Fd	70.3	74.4	+0.1	-
Gilt Fd	540.3	571.8	-2.2	7.58
Gilt Pens Fd	148.5	157.2	-0.6	7.04
Global Equity Fd	250.8	265.4	+0.8	-
Global Eq Pens Fd	251.2	265.9	+1.1	-
High Int Pens Fd	132.1	139.8		5.54
Japanese Mngd Fd	91.4	96.8	-0.1	-
Managed Income Fd	52.7	55.8	-0.2	5.78
Man Pens Fd	210.3	222.6	+0.3	1.76
North American Mngd Fd	72.7	77.0	+0.4	-
Pacific Mngd Fd	33.9	94.3	+0.3	-
Property Fd	98.1	103.8	--	8.11

Skandia Life Assurance Co Ltd - Contd.

	Bid Price	Offer Price	+ or -	Yield Gross
Fleming Managed Inv Tst	180.1	187.0	+0.2	-
F & C Investment Trust	191.7	201.7	-0.6	-
Framlington Managed	248.2	261.2	-0.1	-
Gartmore Managed	277.6	292.2	-2.1	-
Henderson Managed	279.3	293.9	-0.3	-
Hill Samuel Managed	243.1	256.8	-1.4	-
Invesco Managed	217.0	222.1	-1.4	-
James Capel Core Mngd	147.7	155.4	--	-
Kleinwort Benson Mngd	146.7	154.4	-0.4	-
Martin Currie Mngd	164.4	173.0	+1.2	-
Morgan Grenfell Mngd	167.1	175.8	+0.4	-
Murray Johnstone Managed	161.2	169.6	+0.3	-
Perpetual Managed	233.4	245.6	+0.2	-
Schroder Managed	134.1	151.6	-1.0	-
Pension Managed Funds				
Skandia Cautious	163.7	172.3	-0.3	-
Skandia Balanced	625.3	658.2	-0.3	-
Skandia Ethical Selection	142.5	150.0	+1.3	-
Skandia Deposit	448.0	471.5	+0.1	-
Abtrust Managed	151.4	159.3	+0.8	-
Baring Managed	172.7	181.7	-0.2	-
BZWIM Managed	136.5	143.6	-0.2	-
CU Managed	309.2	325.4	-2.0	-
Fidelity Managed	248.9	261.9	+0.7	-
Fleming Managed Inv Tst	174.1	183.2	+1.0	-
F & C Investment Trust	221.4	233.0	-0.8	-
Framlington Managed	387.4	407.7	+0.1	-
Gartmore Managed	417.8	439.7	-3.7	-
Henderson Managed	374.4	394.1	-0.5	-
Hill Samuel Managed	318.3	335.0	-0.7	-
Invesco Managed	298.3	314.0	-2.3	-
James Capel Core Mngd	167.6	176.4	-0.1	-
Kleinwort Benson Mngd	158.3	166.6	-0.5	-
Martin Currie Mngd	186.0	195.7	+1.6	-
Morgan Grenfell Mngd	190.7	200.7	+0.5	-
Murray Johnstone Mngd	173.6	182.7	+1.2	-
Perpetual Managed	287.0	302.1	+0.3	-
Schroder Managed	158.7	167.0	-1.4	-

Standard Life Assurance Company

3 George St, Edinburgh EH2 2XZ 031-225 2552

	Bid Price	Offer Price	+ or -	Yield Gross
Managed	737.0	775.8	-0.1	-

MANAGEMENT SERVICES

OFFSHORE INSURANCES

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

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EBC Fund Managers (Jersey) Ltd

EBC Traded Currency Fund Ltd*

	Bid Price	Offer Price	+ or -	Yield Gross
Income	$14.40	14.842	—	1.26
Capital	$22.88	23.381	—	—

*Offer price includes 3% prelim. charge

International Income Fund*

	Bid Price	Offer Price	+ or -	Yield Gross
Eurobd Long Term–US$	$32.80	34.0828	-0.0108	4.88
Eurobd Long Term –DM	DM[illegible]	[illegible]	-0.1140	1.53

* Offer Price includes 3½% Initial Charge

Fleming Group

Robert Fleming Management (Jersey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Cash & Stock NAV Jan 31	$12.18		—	—
Deutschmark NAV Jan 31	DM17.05		—	—

Foreign & Colonial Mngmt (Jersey) Ltd

Hypo Foreign & Colonial Reserve Asset Fd Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
US$ Cash	$11.200		+0.005	—
Sterling Cash	£18.370			—
US$ Bonds	$17.004		+0.025	—
Multicurrency Bonds	$22.588		-0.014	—
Sterling Bonds	£17.491		-0.030	—
D Mark Bonds	DM12.883		+0.028	—
European Bonds	Ecu14.892		+0.030	—
UK Equities	£14.248		-0.045	—
US Equities	$18.986		+0.082	—
Japanese Equities	Y887.8			—
Cont Euro Equities	DM21.319		+0.004	—
UK Negative Equities	£10.404		+0.036	—
US Negative Eq	$10.000			—
Japanese Negative Eq	Y769.0		-0.2	—
Cont Eur Negative Eqs				—
UK Geared Equities	£11.021		-0.073	—
US Geared Equities	$11.277		+0.073	—
Japanese Geared Eqs	Y1048.0		-0.1	—
Cont Euro Geared Eqs	DM16.148		+0.008	—
Gold	$11.128		+0.049	—
Protected Capital Plus A	£11.458		-0.011	—
Protected Capital Plus B	£11.312		-0.083	—

Greece Fund Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Feb 3	$24.69		—	—

John Govett Management (Jersey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
S'pore Sterling Fd NAV Feb 9	$24.4096		—	—
Paragon Fd NAV Dec 31	$10.45		—	—
Paragon Redemption	$10.12		—	—
Hungarian Inv Co Dec 31	$95.49		—	—
Dollar Global Managed Hedge	$11.7992	12.50	—	—
Dlr Geared Curr NAV Feb 4	$13.82		—	—
Dlr Geared Bd Feb 4	$7.88		—	—
Govett India Fund	$12.27	12.72	—	—
Inv Ind–Protected Inv Portfo	£10.8181	11.3128	—	—
Sterling Balanced Hedge	£10.4881	11.14	—	—

Comgest SA

56 rue de Londres, 75008 Paris 010 331 4470 7810

	Init Chge	Canc Price	Bid Price	Offer Price	+ or -	Yield Grs
Comgest Europe SICAV	SFr		1288.01		—	—

Commercial Union Luxembourg SA (u)

41 Ave de la Gare L–1611 010 352 403620761

Commercial Union Privilege Portfolio

Equity Funds

	Init Chge	Canc Price	Bid Price	Offer Price	+ or -	Yield Grs
Monthly Income	£		1.2204xd	1.2985	—	7.06
Private Client Mgd	£		1.4666	1.5602		—
Far Eastern Gwth	$		3.0625	3.2471	-0.01	—
American Gwth	$		2.4284	2.5834	+0.01	—
European Gwth	Ecu		2.5059	2.6659	+0.01	—
Japanese Gwth	Y		148	157		—
UK Growth	£		1.3510	1.4379	—	—
Italian Gwth	L		1962	2087	-5.00	—
Spanish Gwth	Pta		225	239	+1.00	—
Dutch Gwth	Dfl		6.9722	7.4172	+0.06	—
Belgian Gwth	BFr		117	124		—
French Gwth	FFr		11.2222	11.9385	+0.10	—
German Growth	DM		2.6111	2.7778	+0.03	—
Green	$		1.7184	1.8281	+0.01	—
Gold Shares	$		1.2898	1.3979		—
Emerging Countries	$		2.4130	2.5670	-0.01	—

Reserve Funds

	Init Chge	Canc Price	Bid Price	Offer Price	+ or -	Yield Grs
Dollar Reserve Acc	$		10.7934	[illegible]	—	1.42
Dollar Reserve Dis	$		9.9201xd	[illegible]	—	1.42
Yen Reserve Acc	Y		1057	1062	—	1.85
Yen Reserve Dis	Y		991xd	1001	—	1.58
D'mark Reserve Acc	DM		12.0832	12.200	—	5.16
D'mark Reserve Dis	DM		9.9516xd	10.021	—	5.16
Stg Reserve Acc	£		1.3928	1.4087	—	4.52
Stg Reserve Dis	£		0.9945xd	1.0045	—	4.52

Bond Funds

	Init Chge	Canc Price	Bid Price	Offer Price	+ or -	Yield Grs
D'mark Bond Acc	DM		56.5445	57.3145	+0.22	6.18
Peseta Bond Acc	Pta		320	323	—	8.27
Peseta Bond Dis	Pta		218xd	220	—	8.27
Sterling Bond Acc	£		174.8215	176.5292	-0.17	6.18
US $ Bond Acc	$		151.3503	152.8183	+0.04	5.65
Worldwide Bond Acc	SFr		78.6328	71.4881	+0.18	5.37

Cresvale Group (u)

11 Rue Aldringen, L–1118 Luxembourg 071–357 5400

	Init Chge	Canc Price	Bid Price	Offer Price	+ or -	Yield Grs
Managed Convertible (z)	$		2.34		+0.01	—
Equity Warrant (Japan) (z)	$		7.84		+0.04	—
Hedge Fund	$		21.30		—	—
Hedge Fund US$ II	$		10.58		—	—
Hedge (B)	$		98.34		—	—

DB Investment Management SA

2 Boulevard Konrad Adenauer, Lux 010 352 421011

	Init Chge	Canc Price	Bid Price	Offer Price	+ or -	Yield Grs
Eurorenta	DM		88.92	91.59	—	—
Dollarrenta	$		87.30	89.93	—	—
DM Reserve	DM		190.13	190.73	—	—

CURRENCIES AND MONEY

MARKETS REPORT

Sterling still weak

Sterling's weakness in the wake of Tuesday's interest rate cut continued yesterday as it tested an 11 month low against the dollar, ***writes Philip Gawith.***

The UK currency continued to look vulnerable, trading as low as $1.4545, although it staged a late afternoon recovery to close in London at $1.4615, marginally up on its Wednesday close of $1.4605. Volumes, however, were much lower than on Wednesday and trading steadier.

Elsewhere market attention was focused on Washington where last minute trade talks took place ahead of today's planned trade summit between President Clinton and Mr Morihiro Hosokawa, the Japanese Prime Minister.

■ Sterling has not managed to shake off the negative sentiment attached to Tuesday's rate-cut. Mr Chris Turner, currency strategist at BZW, said an additional factor preying on sentiment was the comparison being drawn between the contrasting UK and US interest rate changes despite fairly similar inflation backgrounds. He said spare capacity was a crucial determinant of inflationary pressure and it was not clear the gap between the two countries was that large.

Also weighing down sterling was the relative strength of the D-Mark across the board. Sterling closed weaker against the D-Mark, finishing in London at DM2.5625 from DM2.5708 on Wednesday. This represents a fall of close to five pfennigs from sterling's level before the rate cut. The pound has now retraced all the gains it made against the D-Mark in the new year.

Sterling's trade weighted value finished at 80.8, unchanged from Wednesday evening.

A Reuters survey of 20 City economists, meanwhile, showed that 60 per cent felt the cut came at the wrong time. Half felt the authorities' justification for cutting rates, was incomplete and unconvincing.

■ The dollar ended slightly firmer against the yen yesterday closing at Y108.450 from Y107.8450 on Wednesday. It weakened against the D-Mark, however, finishing at DM1.7534 against DM1.7603. Analysts said for the dollar to appreciated further, the market needed to see an interest rate cut from the Bundesbank. Failing that, the settlement of the IG Metall wage talks or the release of German M3 data might give the D-mark new direction.

Trade on the yen/dollar cross remained uncertain ahead of today's summit. Some comfort that there might be a meeting of minds came after Japanese Foreign Minister Mr Tsutomu Hata met US Trade Representative Mr Mickey Kantor. After emerging from talks Mr Hata commented: "Both of us are determined to come up with an agreement."

This optimism was dampened yesterday evening when a senior US Administration official was quoted as saying the odds were running "pretty high" against a trade deal ahead of the summit. "We're pretty far apart on everything," the official was quoted as saying. The market access talks will focus on four sectors: cars and car parts, insurance, and procurement of telecommunications equipment and medical equipment.

Dealers said the yen was hard to trade in the short term as it was beset by uncertainties about the strength of the government and the long-running trade policy dispute with the US. Mr Avinash Persaud, head of currency research at JP Morgan, said a number of investors were, as a result, taking flat (neutral) positions on the yen.

■ With no fresh economic data to give the market direction, the EMS grid went through another day of little activity.

The Italian lira, the week's best performing currency, remained firm, closing at L964.5/DM. The lira has risen by nearly 4 per cent in six weeks since starting the year near the L1,000/DM level.

Mr Persaud cited the lira's performance as evidence of the progressive decoupling of the performance of the high yielding European currencies, such as the lira and the Spanish peseta, from the so-called "hard-core" ERM currencies such as the French and Belgian francs.

By contrast with the lira, the French franc continued to struggle to make progress against the D-Mark, trading around the FFr3.40 level where it has been since late December. Mr Chris Turner, currency strategist at BZW, said technical indicators suggested the franc had lost momentum. Should a resurgent dollar dissuade the Bundesbank from cutting rates, this would "raise the question again of the sustainability of European policy."

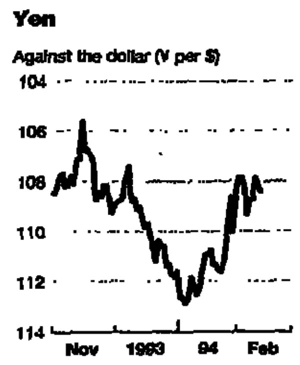
The market obtained no guidance from the Bank of France's newly independent monetary policy council which met for the fourth time, but issued no statement about its deliberations.

■ The Bank of England provided the UK money market with total help for the day of £1.444bn. This compared with its forecast of a £1.55bn liquidity shortage, revised up from an earlier £1.5 billion. The market was fairly liquid, reflected in money market rates falling as low as 3½ per cent during the day before picking up later to 6¼ per cent.

Outright assistance was provided at an interest rate of 5⅛ per cent while the Bank bought £1.2bn of bills for resale to the market at an interest rate of 5 3/16 per cent.

Yen

Against the dollar (Y per $)



Source: FT Graphite

■ **Pound in New York**

Feb 10	— Latest —	— Prev. close —
£ spot	1.4625	1.4605
1 mth	1.4604	1.4584
3 mth	1.4565	1.4544
1 yr	1.4468	1.4444

POUND SPOT FORWARD AGAINST THE POUND

Feb 10	Closing mid-point	Change on day	Bid/offer spread	Day's mid high	Day's mid low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Bank of Eng. Index
Europe												
Austria (Sch)	18.0547	-0.0133	448 - 645	18.1190	18.0000	18.0509	0.2	18.0453	0.2	-	-	112.9
Belgium (BFr)	52.8990	-0.057	663 - 317	53.1180	52.8200	52.954	-1.2	53.089	-1.3	53.374	-0.9	113.3
Denmark (DKr)	9.9912	-0.0164	823 - 001	10.0340	9.9810	9.9993	-1.0	10.0168	-1.0	10.0477	-0.6	114.2
Finland (FM)	8.2986	+0.0396	884 - 087	8.3095	8.2460	-	-	-	-	-	-	81.2
France (FFr)	8.7036	-0.0219	973 - 099	8.7550	8.6960	8.7115	-1.1	8.7267	-1.1	8.7539	-0.6	107.6
Germany (DM)	2.5625	-0.0083	611 - 639	2.5780	2.5600	2.5644	-0.9	2.5669	-0.7	2.5696	-0.2	121.7
Greece (Dr)	368.225	-1.05	880 - 570	370.195	367.850	-	-	-	-	-	-	-
Ireland (I£)	1.0390	-0.0008	371 - 408	1.0423	1.0363	1.0397	-0.8	1.0411	-0.8	1.0458	-0.6	103.0
Italy (L)	2472.13	+4.2	055 - 370	2476.00	2460.95	2478.33	-3.0	2491.48	-3.1	2538.33	-2.6	76.9
Luxembourg (LFr)	52.8990	-0.057	663 - 317	53.1180	52.8200	52.954	-1.2	53.089	-1.3	53.374	-0.9	113.3
Netherlands (Fl)	2.8723	-0.0069	706 - 740	2.8972	2.8680	2.8729	-0.3	2.873	-0.1	2.8687	0.2	117.6
Norway (NKr)	11.0708	+0.0078	655 - 760	11.0910	11.0340	11.0678	0.3	11.0601	0.4	11.0693	0.0	84.4
Portugal (Es)	257.444	-0.91	136 - 751	259.155	257.120	258.434	-4.6	260.569	-4.9	-	-	-
Spain (Pta)	208.432	+0.091	324 - 540	208.771	207.900	209.052	-3.6	210.297	-3.6	214.292	-2.8	84.6
Sweden (SKr)	11.8429	+0.1121	334 - 524	11.8580	11.6930	11.8639	-2.1	11.9039	-2.1	12.0369	-1.6	76.5
Switzerland (SFr)	2.1601	+0.0001	586 - 616	2.1715	2.1535	2.1585	0.9	2.1548	1.0	2.1348	1.2	117.3
UK (£)	-	-	-	-	-	-	-	-	-	-	-	80.8
Ecu	1.3196	-0.0031	188 - 203	1.3262	1.3180	1.3209	-1.2	1.3234	-1.2	1.3279	-0.6	-
SDR†	0.842491	-	-	-	-	-	-	-	-	-	-	-
Americas												
Argentina (Peso)	1.4585	+0.001	579 - 591	1.4595	1.4520	-	-	-	-	-	-	-
Brazil (Cr)	778.486	+14.751	216 - 756	778.760	763.000	-	-	-	-	-	-	-
Canada (C$)	1.9619	-0.0013	608 - 629	1.9630	1.9515	1.9595	1.5	1.955	1.4	1.9437	0.9	90.4
Mexico (New Peso)	4.5380	+0.0033	349 - 410	4.5425	4.5190	-	-	-	-	-	-	-
USA ($)	1.4615	+0.001	610 - 620	1.4625	1.4560	1.4594	1.7	1.4554	1.7	1.4458	1.1	67.5
Pacific/Middle East/Africa												
Australia (A$)	2.0348	+0.002	334 - 362	2.0365	2.0175	2.0333	0.9	2.031	0.8	2.029	0.3	-
Hong Kong (HK$)	11.3299	+0.0099	249 - 349	11.3355	11.2600	11.3082	2.3	11.2739	2.0	11.1738	1.4	-
India (Rs)	45.8455	+0.0312	243 - 666	45.8750	45.6470	-	-	-	-	-	-	-
Japan (Y)	158.500	+0.997	372 - 627	159.050	157.930	158.135	2.8	157.325	3.0	153.86	2.9	182.5
Malaysia (M$)	4.0352	+0.005	324 - 380	4.0380	4.0202	-	-	-	-	-	-	-
New Zealand (NZ$)	2.5424	+0.0075	400 - 448	2.5458	2.5239	2.5453	-1.4	2.5498	-1.1	2.5582	-0.6	-
Philippines (Peso)	40.2645	+0.029	584 - 705	40.8743	39.9365	-	-	-	-	-	-	-
Saudi Arabia (SR)	5.4812	+0.004	790 - 834	5.4847	5.4570	-	-	-	-	-	-	-
Singapore (S$)	2.3172	+0.0031	157 - 187	2.3190	2.3065	-	-	-	-	-	-	-
S Africa (Com.) (R)	5.0374	+0.0198	346 - 402	5.0420	5.0100	-	-	-	-	-	-	-
S Africa (Fin.) (R)	6.6681	+0.0376	585 - 777	6.6780	6.6085	-	-	-	-	-	-	-
South Korea (Won)	1185.35	+0.85	487 - 583	1186.10	1180.15	-	-	-	-	-	-	-
Taiwan (T$)	38.6421	+0.0278	142 - 699	38.6700	38.4800	-	-	-	-	-	-	-
Thailand (Bt)	37.2098	+0.0705	825 - 371	37.2410	37.0590	-	-	-	-	-	-	-

†SDR rate for Feb.9. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1985 = 100. Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Feb 10	Closing mid-point	Change on day	Bid/offer spread	Day's mid high	Day's mid low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	J.P. Morgan index
Europe												
Austria (Sch)	12.3535	-0.018	510 - 560	12.3965	12.3510	12.3735	-1.9	12.4077	-1.8	12.468	-0.9	102.3
Belgium (BFr)	36.1950	-0.085	850 - 050	36.3350	36.1850	36.285	-3.0	36.465	-3.0	36.925	-2.0	103.1
Denmark (DKr)	6.8363	-0.0161	325 - 400	6.8656	6.8325	6.8541	-3.1	6.8848	-2.8	6.9513	-1.7	102.9
Finland (FM)	5.6781	+0.023	731 - 831	5.6981	5.6389	5.6841	-1.3	5.6941	-1.1	5.7256	-0.8	76.3
France (FFr)	5.9553	-0.0192	530 - 575	5.9895	5.9530	5.9694	-2.8	5.9986	-2.8	6.0541	-1.7	103.8
Germany (D)	1.7534	-0.0069	530 - 537	1.7640	1.7530	1.7573	-2.6	1.7639	-2.4	1.7766	-1.3	103.2
Greece (Dr)	251.950	-0.9	800 - 100	253.360	251.800	255.15	-15.2	262.1	-16.1	290.95	-15.5	71.2
Ireland (I£)	1.4067	+0.0021	047 - 087	1.4087	1.4004	1.4036	2.5	1.3976	2.5	1.3816	1.8	-
Italy (L)	1691.50	+1.65	100 - 200	1693.55	1685.00	1698.2	-4.8	1712	-4.8	1754.5	-3.7	77.7
Luxembourg (LFr)	36.1950	-0.085	850 - 050	36.3350	36.1850	36.285	-3.0	36.465	-3.0	36.925	-2.0	103.1
Netherlands (Fl)	1.9653	-0.0061	648 - 658	1.9758	1.9648	1.9685	-2.0	1.974	-1.8	1.9823	-0.9	102.9
Norway (NKr)	7.5749	-0.0001	739 - 759	7.6062	7.5493	7.5836	-1.4	7.6009	-1.4	7.6379	-0.8	94.3
Portugal (Es)	176.150	-0.75	000 - 300	177.200	176.000	177.05	-6.1	178.98	-6.4	185.86	-5.5	94.2
Spain (Pta)	142.615	-0.04	590 - 640	142.900	142.370	143.245	-5.3	144.505	-5.3	148.24	-3.9	80.4
Sweden (SKr)	8.1033	+0.071	995 - 070	8.1070	7.9844	8.1288	-3.8	8.1783	-3.7	8.3153	-2.6	82.6
Switzerland (SFr)	1.4780	-0.001	775 - 785	1.4870	1.4725	1.479	-0.9	1.4804	-0.7	1.4763	0.1	104.1
UK (£)	1.4615	+0.001	610 - 620	1.4625	1.4560	1.4594	1.7	1.4554	1.7	1.4458	1.1	89.6
Ecu	1.1076	+0.0034	073 - 078	1.1078	1.1022	1.1049	2.9	1.0998	2.8	1.0886	1.7	-
SDR†	1.37698	-	-	-	-	-	-	-	-	-	-	-
Americas												
Argentina (Peso)	0.9980	-	979 - 980	0.9980	0.9979	-	-	-	-	-	-	-
Brazil (Cr)	532.663	+9.718	660 - 665	532.670	532.660	-	-	-	-	-	-	-
Canada (C$)	1.3424	-0.0019	421 - 426	1.3426	1.3405	1.3427	-0.3	1.3434	-0.3	1.3444	-0.1	86.5
Mexico (New Peso)	3.1050	-	040 - 060	3.1060	3.1040	3.1068	-0.6	3.1094	-0.6	3.12	-0.5	-
USA ($)	-	-	-	-	-	-	-	-	-	-	-	102.4
Pacific/Middle East/Africa												
Australia (A$)	1.3923	+0.0004	918 - 928	1.3928	1.3841	1.3933	-0.9	1.3962	-1.1	1.4037	-0.8	89.6
Hong Kong (HK$)	7.7523	+0.0013	515 - 530	7.7530	7.7510	7.7538	-0.2	7.7563	-0.2	7.7673	-0.2	-
India (Rs)	31.3688	-0.0012	650 - 725	31.3725	31.3650	31.4338	-2.5	31.5688	-2.6	-	-	-
Japan (Y)	108.450	+0.605	400 - 500	108.900	108.160	108.355	1.1	108.095	1.3	106.41	1.9	144.2
Malaysia (M$)	2.7610	+0.0015	600 - 620	2.7620	2.7610	2.7545	2.8	2.7535	1.1	2.776	-0.5	-
New Zealand (NZ$)	1.7396	+0.0039	385 - 406	1.7385	1.7319	1.7412	-1.1	1.7457	-1.4	1.7599	-1.2	-
Philippines (Peso)	27.5500	-	500 - 500	27.8000	27.3500	-	-	-	-	-	-	-
Saudi Arabia (SR)	3.7504	-	502 - 506	3.7505	3.7502	3.7528	-0.8	3.7571	-0.7	3.7759	-0.7	-
Singapore (S$)	1.5855	+0.001	850 - 860	1.5860	1.5850	1.5844	0.9	1.5822	0.8	1.5945	-0.6	-
S Africa (Com.) (R)	3.4468	+0.011	460 - 475	3.4475	3.4320	3.4638	-5.9	3.4928	-5.3	3.6003	-4.5	-
S Africa (Fin.) (R)	4.5625	+0.0225	575 - 675	4.5675	4.5250	4.6935	-8.2	4.6525	-7.9	-	-	-
South Korea (Won)	811.050	-	000 - 100	811.300	810.000	814.05	-4.4	817.55	-3.2	836.05	-3.1	-
Taiwan (T$)	26.4400	-	300 - 500	26.4500	26.4200	26.5425	-4.7	26.69	-3.8	-	-	-
Thailand (Bt)	25.4600	+0.03	500 - 700	25.4700	25.4400	25.53	-3.3	25.67	-3.3	25.81	-1.4	-

†SDR rate for Feb.9. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan indices shown for Feb.9. Base average 1990=100

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Feb 10	BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium (BFr)	100	18.89	16.45	4.845	1.964	4673	5.429	20.93	486.6	394.0	22.38	4.083	1.890	3.709	2.764	299.6	2.493
Denmark (DKr)	52.95	10	8.712	2.565	1.040	2474	2.875	11.08	257.6	208.6	11.85	2.162	1.001	1.964	1.463	158.6	1.320
France (FFr)	60.78	11.48	10	2.945	1.194	2840	3.300	12.72	295.7	239.4	13.60	2.482	1.149	2.254	1.680	182.1	1.515
Germany (DM)	20.64	3.898	3.396	1	0.405	964.5	1.121	4.319	100.4	81.31	4.620	0.843	0.390	0.766	0.570	61.84	0.515
Ireland (I£)	50.91	9.616	8.377	2.467	1	2379	2.764	10.65	247.7	200.6	11.40	2.079	0.962	1.888	1.407	152.6	1.269
Italy (L)	2.140	0.404	0.352	0.104	0.042	100.	0.116	0.448	10.41	8.430	0.479	0.087	0.040	0.079	0.059	6.412	0.053
Netherlands (Fl)	18.42	3.479	3.031	0.892	0.362	860.7	1	3.854	89.62	72.56	4.123	0.752	0.348	0.683	0.509	55.19	0.459
Norway (NKr)	47.79	9.025	7.863	2.315	0.939	2233	2.594	10	232.5	188.3	10.70	1.951	0.903	1.772	1.321	143.2	1.192
Portugal (Es)	20.55	3.882	3.382	0.996	0.404	960.4	1.116	4.301	100.	80.96	4.600	0.839	0.389	0.762	0.568	61.58	0.512
Spain (Pta)	25.38	4.794	4.177	1.230	0.499	1186	1.378	5.312	123.5	100.	5.681	1.036	0.480	0.941	0.702	76.06	0.633
Sweden (SKr)	44.68	8.438	7.351	2.165	0.878	2088	2.426	9.350	217.4	176.0	10	1.824	0.845	1.657	1.235	133.9	1.114
Switzerland (SFr)	24.49	4.625	4.030	1.187	0.481	1144	1.330	5.125	119.2	96.48	5.481	1	0.463	0.908	0.677	73.38	0.611
UK (£)	52.90	9.991	8.704	2.563	1.039	2472	2.872	11.07	257.4	208.4	11.84	2.160	1	1.962	1.462	158.5	1.319
Canada (C$)	26.96	5.092	4.436	1.306	0.530	1260	1.464	5.642	131.2	106.2	6.035	1.101	0.510	1	0.745	80.78	0.672
US ($)	36.18	6.834	5.953	1.753	0.711	1691	1.964	7.572	176.1	142.5	8.098	1.477	0.684	1.342	1	108.4	0.902
Japan (Y)	333.8	63.03	54.91	16.17	6.555	15596	18.12	69.84	1624	1315	74.70	13.63	6.309	12.38	9.224	1000.	8.322
Ecu	40.11	7.575	6.599	1.943	0.788	1874	2.177	8.393	195.1	158.0	8.976	1.638	0.758	1.487	1.108	120.2	1

Yen per 1,000: Danish Kroner, French Franc, Norwegian Kroner and Swedish Kronor per 10; Belgian Franc, Escudo, Lira and Peseta per 100.

■ **D-MARK FUTURES** (IMM) DM 125,000 per DM

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	0.5677	0.5669	-0.0002	0.5679	0.5658	31,224	144,500
Jun	0.5632	0.5638	-0.0004	0.5639	0.5632	128	9,614
Sep	0.5610	0.5611	-0.0011	0.5611	0.5610	12	329

■ **SWISS FRANC FUTURES** (IMM) SFr 125,000 per SFr

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	0.6778	0.6736	-0.0030	0.6783	0.6722	19,984	47,584
Jun	0.6720	0.6727	-0.0030	0.6733	0.6717	154	1,224
Sep	-	0.6730	-	-	0.6725	2	45

■ **JAPANESE YEN FUTURES** (IMM) Yen 12.5 per Yen 100

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	0.9261	0.9213	-0.0019	0.9250	0.9197	32,189	79,601
Jun	0.9265	0.9244	-0.0023	0.9270	0.9234	602	7,146
Sep	-	0.9291	-	-	0.9291	114	751

■ **STERLING FUTURES** (IMM) £62,500 per £

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	1.4588	1.4544	-0.0034	1.4600	1.4538	19,244	39,426
Jun	1.4530	1.4500	-0.0026	1.4530	1.4480	487	2,036
Sep	1.4470	1.4460	-0.0018	1.4470	1.4450	4	421
Dec	-	1.4430	-	-	1.4430	1	12

EMS EUROPEAN CURRENCY UNIT RATES

Feb 10	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Ireland	0.808628	0.786824	-0.000996	-2.72	6.02	18
Netherlands	2.19672	2.17676	-0.00103	-0.91	3.10	-
Germany	1.94964	1.94314	-0.00088	-0.33	2.51	-
Belgium	40.2123	40.0618	-0.0195	-0.37	2.55	3
France	6.53883	6.59925	+0.00416	0.92	1.23	-8
Portugal	192.854	195.406	+0.121	1.32	0.83	-9
Denmark	7.43679	7.57093	+0.0041	1.80	0.35	-12
Spain	154.250	157.566	+0.112	2.16	0.00	-15
NON ERM MEMBERS						
Greece	264.513	279.486	+0.134	5.66	-3.31	-
Italy	1793.19	1866.88	+0.16	4.11	-1.87	-
UK	0.786749	0.756996	+0.000409	-3.79	6.19	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ **PHILADELPHIA SE £/$ OPTIONS** £31,250 (cents per pound)

Strike Price	CALLS Feb	CALLS Mar	CALLS Apr	PUTS Feb	PUTS Mar	PUTS Apr
1.400	5.45	5.42	5.71	-	0.14	0.61
1.425	2.95	3.32	3.87	-	0.63	1.26
1.450	0.74	1.72	2.44	0.14	1.37	2.27
1.475	-	0.71	1.41	1.82	2.80	3.67
1.500	-	0.21	0.74	4.25	4.79	5.49
1.525	-	0.05	0.35	6.74	7.08	7.62

Previous day's vol., Calls 12,038 Puts 8,322 . Prev. day's open int., Calls 516,365 Puts 523,738

WORLD INTEREST RATES

MONEY RATES

February 10	Over night	One month	Three mths	Six mths	One year	Lomb. inter.	Dis. rate	Repo rate
Belgium	-	6⅛	6¼	6¼	6⅛	7.40	5.25	-
week ago	7¼	6¾	6⅝	6¼	6¼	7.40	5.25	-
France	6⅛	6⅛	6¼	6⅛	5⅞	6.20	-	7.75
week ago	6¼	6¼	6⅛	6¼	5½	6.20	-	7.75
Germany	6.07	6.05	5.85	5.65	5.37	6.75	5.75	6.00
week ago	5.98	6.05	5.80	5.60	5.29	6.75	5.75	6.00
Ireland	6	5⅞	5⅞	5¾	5¾	-	-	6.75
week ago	6	5⅞	5⅞	5¾	5⅞	-	-	6.75
Italy	9	8¼	8⅛	8⅛	7⅞	-	8.00	8.92
week ago	9	8¼	8⅛	8⅛	7⅞	-	8.00	8.92
Netherlands	5.61	5.50	5.30	5.10	4.94	-	5.25	-
week ago	5.56	5.50	5.22	5.01	4.84	-	5.25	-
Switzerland	4⅛	4⅛	4⅛	4⅛	4	6.625	4.00	-
week ago	4⅛	4⅛	4⅛	3⅞	3¾	6.625	4.00	-
US	3⅛	3⅛	3⅜	3½	4	-	3.00	-
week ago	3⅛	3⅛	3⅜	3⅝	3⅞	-	3.00	-
Japan	2⅛	2⅛	2⅛	2⅛	2⅛	-	1.75	-
week ago	2⅛	2⅛	2⅛	2⅛	2⅛	-	1.75	-
■ $ LIBOR FT London								
Interbank Fixing	-	3¼	3⅜	3⅝	4⅛	-	-	-
week ago	-	3⅛	3⅜	3⅝	3⅞	-	-	-
US Dollar CDs	-	3.24	3.36	3.55	3.88	-	-	-
week ago	-	3.24	3.16	3.34	3.63	-	-	-
SDR Linked Ds	-	3⅛	3¼	3⅜	3¾	-	-	-
week ago	-	3⅛	3⅜	3⅝	3⅝	-	-	-

$ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US $ CDs and SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Feb 10	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	6 11/16 - 6 9/16	6 11/16 - 6 9/16	6 11/16 - 6 9/16	6 7/16 - 6 5/16	6 3/16 - 6 1/16	6¼ - 6⅛
Danish Krone	6 - 5½	6⅞ - 6⅝	6½ - 6¼	6½ - 6¼	6⅛ - 5⅞	5⅞ - 5⅝
D-Mark	6 3/16 - 6 1/16	6 3/16 - 6 1/16	6⅛ - 6	5 15/16 - 5 13/16	5¾ - 5⅝	5 7/16 - 5 5/16
Dutch Guilder	5⅝ - 5½	5⅝ - 5½	5½ - 5⅜	5 7/16 - 5 5/16	5⅛ - 5	4 15/16 - 4 13/16
French Franc	6 7/16 - 6 5/16	6 7/16 - 6 5/16	6 7/16 - 6 5/16	6 5/16 - 6 3/16	6⅛ - 6	5¾ - 5⅝
Portuguese Esc	9 - 8½	9½ - 9	10⅜ - 9⅞	10⅛ - 9⅝	9⅞ - 9⅜	9⅞ - 9⅜
Spanish Peseta	9 1/16 - 8 13/16	9⅛ - 8⅞	9⅛ - 8⅞	8 15/16 - 8¾	8 11/16 - 8⅜	8¼ - 8 1/16
Sterling	4½ - 4¼	4⅞ - 4⅝	5⅜ - 5¼	5⅜ - 5¼	5½ - 5¼	5 9/16 - 5 7/16
Swiss Franc	4½ - 4¼	4½ - 4¼	4⅜ - 4¼	4⅛ - 4	4 - 3⅞	3⅞ - 3¾
Can. Dollar	3½ - 3¼	3⅝ - 3⅜	3⅝ - 3½	3 13/16 - 3 11/16	4 - 3⅞	4⅜ - 4¼
US Dollar	3⅛ - 3⅛	3⅛ - 3⅛	3⅛ - 3⅛	3⅜ - 3¼	3⅝ - 3½	4⅛ - 3 15/16
Italian Lira	10 - 8	8⅞ - 8⅝	8⅜ - 7⅞	8⅛ - 7⅞	8⅛ - 7⅞	8⅛ - 7⅞
Yen	2¼ - 2⅛	2⅜ - 2¼	2⅜ - 2¼	2¼ - 2⅛	2⅜ - 2¼	2⅜ - 2¼
Asian $Sing	3½ - 2½	3½ - 2½	3½ - 2½	4 - 3	4 - 3	4¼ - 3¼

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ **THREE MONTH PIBOR FUTURES** (MATIF) Paris interbank offered rate

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	93.92	93.93	+0.02	93.96	93.91	41,956	118,747
Jun	94.45	94.41	+0.01	94.45	94.39	17,635	84,558
Sep	94.77	94.75	-0.01	94.81	94.74	5,335	46,459
Dec	95.00	94.99	+0.03	95.02	94.96	9,847	27,514

■ **THREE MONTH EURODOLLAR** (LIFFE)* $1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	96.37	96.37	-	96.37	96.37	314	5563
Jun	96.07	96.06	-	96.07	96.06	11	4405
Sep	95.74	95.73	-	95.74	95.74	10	1652
Dec	95.34	95.33	-	95.35	95.34	140	973

■ **THREE MONTH EUROMARK FUTURES** (LIFFE)* DM1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	94.31	94.30	-0.01	94.32	94.27	23665	211811
Jun	94.75	94.74	-0.01	94.76	94.69	42591	203572
Sep	95.04	95.05	-	95.07	95.00	16255	166363
Dec	95.20	95.22	-	95.25	95.18	14520	125731

■ **THREE MONTH EUROLIRA INT.RATE FUTURES** (LIFFE) L1000m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	91.75	91.75	-	91.78	91.73	4153	39983
Jun	92.34	92.32	0.01	92.35	92.28	5290	40693
Sep	92.70	92.72	0.02	92.73	92.68	1161	21743
Dec	92.98	92.97	-	92.98	92.92	1619	14813

■ **THREE MONTH EURO SWISS FRANC FUTURES** (LIFFE) SFr1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	95.92	95.88	-0.02	95.94	95.85	9804	33539
Jun	96.18	96.17	-0.01	96.19	96.14	2724	21896
Sep	96.30	96.27	-0.03	96.30	96.26	205	6001
Dec	96.29	96.27	-	96.29	96.26	378	3176

■ **THREE MONTH ECU FUTURES** (LIFFE) Ecu1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	93.79	93.80	-	93.81	93.76	1061	13297
Jun	94.33	94.31	-0.01	94.33	94.29	1111	10184
Sep	94.70	94.69	-0.02	94.72	94.66	192	8741
Dec	94.91	94.90	-0.01	94.91	94.86	362	6310

* LIFFE futures traded on APT

■ **THREE MONTH EURODOLLAR** (IMM) $1m points of 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	96.37	96.37	-	96.38	96.36	49,036	364,295
Jun	96.05	96.06	-	96.06	96.05	90,1831	402,139
Sep	95.73	95.73	-	95.74	95.72	53,071	322,851
Dec	95.35	95.34	-	95.36	95.33	34,982	241,693

■ **US TREASURY BILL FUTURES** (IMM) $1m per 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	96.67	96.67	-	96.68	96.67	1,826	16,420
Jun	96.38	96.37	-	96.38	96.37	2,046	19,785
Sep	-	96.08	+0.02	-	-	71	3,629

All Open interest figs. are for previous day

■ **EUROMARK OPTIONS** (LIFFE) DM1m points of 100%

Strike Price	CALLS Mar	CALLS Jun	CALLS Sep	PUTS Mar	PUTS Jun	PUTS Sep
9425	0.11	0.62	0.83	0.08	0.03	0.03
9450	0.04	0.32	0.60	0.24	0.08	0.05
9475	0.01	0.17	0.40	0.46	0.18	0.10

Est. vol. total, Calls 22178 Puts 15779. Previous day's open int., Calls 227420 Puts 151650

■ **EURO SWISS FRANC OPTIONS** (LIFFE) SFr 1m points of 100%

Strike Price	CALLS Mar	CALLS Jun	CALLS Sep	PUTS Mar	PUTS Jun	PUTS Sep
9575	0.16	0.45	0.57	0.03	0.03	0.05
9600	0.06	0.23	0.38	0.18	0.06	0.11
9625	0.02	0.10	0.22	0.39	0.16	0.20

Est. vol. total, Calls 130 Puts 0. Previous day's open int., Calls 1814 Puts 3366

UK INTEREST RATES

LONDON MONEY RATES

Feb 10	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	6 - 3¼	5 - 4¾	5 3/16 - 5⅛	5 3/16 - 5⅛	5 3/16 - 5⅛	5¼ - 5⅛
Sterling CDs	-	-	5 3/32 - 5 1/32	5⅛ - 5 1/16	5⅛ - 5 1/16	5 3/16 - 5⅛
Treasury Bills	-	-	4 15/16 - 4⅞	4⅞ - 4 13/16	-	-
Bank Bills	-	-	4 15/16 - 4⅞	4 31/32 - 4 15/16	4 31/32 - 4 15/16	-
Local authority deps.	4 3/16 - 4 1/16	5 1/16 - 4 15/16	5¼ - 5⅛	5¼ - 5⅛	5¼ - 5⅛	5 5/16 - 5 3/16
Discount market deps.	5 - 3½	4 13/16 - 4 11/16	-	-	-	-

UK clearing bank base lending rate 5¼ per cent from February 8, 1994

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	1½	4	3¾	3¼	3½

Certs of Tax dep. under £100,000 is 1½pc. Deposits withdrawn for cash ½pc.
Ave. tender rate of discount 4.9320pc. ECGD fixed rate Stg. Export Finance. Make up day January 31, 1994. Agreed rate for period Feb 26, 1994 to Mar 25, 1994, Schemes II & III 6.70pc. Reference rate for period Jan 1, 1994 to Jan 31, 1994, Schemes IV & V 5.434pc. Finance House Base Rate 5½pc from Feb 1, 1994

■ **THREE MONTH STERLING FUTURES** (LIFFE) £500,000 points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	94.79	94.79	-	94.80	94.77	7170	85200
Jun	94.94	94.92	-0.02	94.95	94.90	15110	111605
Sep	94.87	94.87	-	94.89	94.83	6725	59815
Dec	94.76	94.76	-0.02	94.79	94.72	8512	90238

Traded on APT. All Open interest figs. are for previous day.

■ **SHORT STERLING OPTIONS** (LIFFE) £500,000 points of 100%

Strike Price	CALLS Mar	CALLS Jun	CALLS Sep	PUTS Mar	PUTS Jun	PUTS Sep
9475	0.08	0.25	0.28	0.04	0.08	0.16
9500	0.01	0.11	0.16	0.22	0.19	0.29
9525	0	0.04	0.08	0.46	0.37	0.46

Est. vol. total, Calls 6662 Puts 3793. Previous day's open int., Calls 162541 Puts 148608

BASE LENDING RATES

	%		%		%
Adam & Company	5.25	Duncan Lawrie	5.25	* Roxburghe Bank Ltd is no longer authorised as a banking institution.	8
Allied Trust Bank	5.5	Exeter Bank Limited	6.5	Royal Bk of Scotland	5.25
AIB Bank	5.25	Financial & Gen Bank	6	●Smith & Williamson Secs.	5.25
●Henry Ansbacher	5.25	●Robert Fleming & Co	5.25	Standard Chartered	5.25
Bank of Baroda	5.25	Girobank	5.25	TSB	5.25
Banco Bilbao Vizcaya	5.25	●Guinness Mahon	5.25	●United Bk of Kuwait	5.25
Bank of Cyprus	5.5	Habib Bank AG Zurich	5.25	Unity Trust Bank Plc	5.25
Bank of Ireland	5.25	●Hambros Bank	5.25	Western Trust	5.5
Bank of India	5.25	Heritable & Gen Inv Bk.	5.5	Whiteaway Laidlaw	5.25
Bank of Scotland	5.25	●Hill Samuel	5.25	Wimbledon & Sth West.	6.5
Barclays Bank	5.25	C. Hoare & Co	5.25	Yorkshire Bank	5.25
Brit Bk of Mid East	5.25	Hongkong & Shanghai	5.25		
●Brown Shipley	5.25	Julian Hodge Bank	5.25		
CL Bank Nederland	5.25	●Leopold Joseph & Sons	5.25		
Citibank NA	5.25	Lloyds Bank	5.25		
City Merchants Bank	5.5	Meghraj Bank Ltd	5.25		
Clydesdale Bank	5.25	Midland Bank	5.25		
The Co-operative Bank	5.25	* Mount Banking	6		
Coutts & Co	5.25	NatWestminster	5.25		
Credit Lyonnais	5.25	●Rea Brothers	5.25		
Cyprus Popular Bank	5.5				

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NOTES - Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are 1993-94, except Toronto & Montreal (daily). ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

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■ TOKYO - MOST ACTIVE STOCKS: Thursday, February 10, 1994

	Stocks Traded	Closing Prices	Change on day
Fujitsu	7.3m	1,050	+10
Nitsuko	5.5m	1,600	+60
Toshiba	5.0m	746	+15
Hitachi	4.1m	900	+2
Itochu	4.0m	685	-14
Fujisawa Pharm	4.0m	1,220	+70
Matsushita El Ind	3.7m	1,720	+50
Brother Inds	3.6m	565	+55
Tosoh	3.5m	355	+27
Zexel	3.5m	640	+60

INDICES

Thailand Bangkok SET (30/4/75)	1410.53	1403.63	1365.73	1763.73 4/1/94	818.84 1/6/93
Turkey Istanbul Comp.(Jan 1986)	14067.8	15595.7	17081.1	20063.69 13/1/94	3955.58 1/1/93
WORLD MS Capital Int (1/1/70)$	622.7*	623.8	624.4	641.09 1/2/94	488.80 13/1/93
CROSS-BORDER Eurotrack 100(26/10/90)	1499.22	1504.89	1512.37	1540.19 31/1/94	1063.02 13/1/93
Euro Top-100 (26/6/90)	1275.76	1280.76	1287.86	1311.61 2/2/94	982.73 13/1/93
JCapeDrgns (31/12/88)	(u)	363.21	357.72	395.19 5/1/94	169.92 4/1/93
Barings Emerg.(7/1/92)	181.58	182.63	180.13	182.83 9/2/94	99.81 4/2/93

Base values of all Indices are 100 except: Australia All Ordinary and Metals - 500; Austria Traded, BEL20, HEX Gen., MIB Gen., SBF250, CAC40, Euro Top-100, ISEQ Overall; Toronto Comp./Metals & Minerals - 1000; JSE Gold - 255.7; JSE 20 Industrials - 264.3; NYSE All Common - 50 and Standard and Poor's - 10. §§ Price 6294.13, Korea Comp Ex 842.60. (u) Unavailable. ‡ IBIS/DAX after-hours index: Feb 10 - 2118.89 +3.28.

■ CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	Sett Price	Change	High	Low	Est. vol.	Open Int.
Feb	2322.0	2303.0	-15.0	2325.0	2283.0	21,531	20,572
Mar	2333.5	2314.0	-15.5	2336.5	2293.0	787	46,513
Jun	2331.5	2312.0	-15.5	2331.5	2331.5	7	2,445

Open interest figures for previous day.

US INDICES

Standard and Poors Composite ‡	472.77	471.06	471.76	482.00 (2/2/94)	429.05 (8/1/93)	482.00 (2/2/94)	4.40 (1/6/32)
Industrials	551.79	549.95	550.23	558.59 (2/2/94)	496.48 (26/4/93)	558.59 (2/2/94)	3.62 (21/6/32)
Financial	44.69	44.38	44.51	48.40 (28/9/93)	39.89 (8/1/93)	48.40 (28/9/93)	8.64 (1/10/74)
NYSE Comp.	262.90	261.98	262.01	267.71 (2/2/94)	236.21 (8/1/93)	267.71 (2/2/94)	4.46 (25/4/42)
Amex Mkt Val	480.59	477.88	476.84	487.89 (2/2/94)	395.84 (8/1/93)	487.89 (2/2/94)	29.31 (9/12/72)
NASDAQ Cmp	786.53	782.70	779.21	800.47 (31/1/94)	645.87 (26/4/93)	800.47 (31/1/94)	54.87 (31/10/73)

■ RATIOS

	Feb 4	Jan 28	Jan 21	Year ago
Dow Jones Ind. Div. Yield	2.62	2.57	2.59	3.01
	Feb 9	Feb 2	Jan 26	Year ago
S & P Ind. Div. yield	2.35	2.28	2.35	2.46
S & P Ind. P/E ratio	26.07	28.51	27.99	27.44

■ STANDARD AND POORS 500 INDEX FUTURES $500 times index

	Open	Latest	Change	High	Low	Est. vol.	Open Int.
Mar	473.30	473.00	-0.30	473.80	472.65	61,019	181,296
Jun	474.00	474.25	-0.10	474.45	474.00	506	6,973
Sep	-	475.95	-	476.05	475.60	18	909

Open interest figures are for previous day.

■ NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Close price	Change on day
WMX Tech	14,952,300	25	-3¼
West Nos	10,053,000	13⅝	---
Inst Mobil	4,398,100	23⅝	---
Sears Roe	3,725,600	48	+1¼
RJR Nabisco	3,721,900	7½	+¼
Gen Motors	3,179,400	64¼	-½
West Elec	3,138,800	15⅛	+⅜
Telefonos	3,094,700	74¾	-¾
Ford Motor	3,080,800	68½	-1
Natl Semi	3,014,000	19¼	+⅛

■ TRADING ACTIVITY

● Volume (million)

	Feb 9	Feb 8	Feb 7
New York SE	332.697	311.985	346.779
Amex	22.582	17.580	19.043
NASDAQ	(u)	309.845	370.024
NYSE			
Issues Traded	2,727	2,727	2,737
Rises	1,277	1,167	1,023
Falls	844	951	1,176
Unchanged	606	609	538
New Highs	98	67	18
New Lows	48	39	63

† Official re-scaling. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♣ The DJ Indl. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ▼ Subject to official recalculation.

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NASDAQ NATIONAL MARKET

4 pm close February 10

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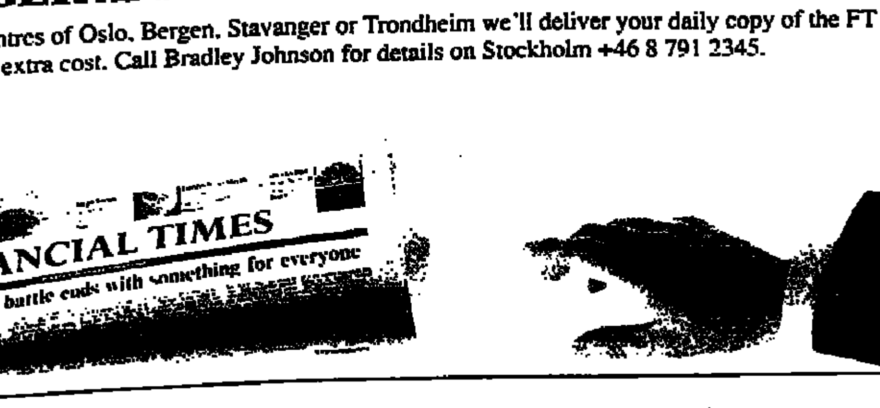


AMERICA

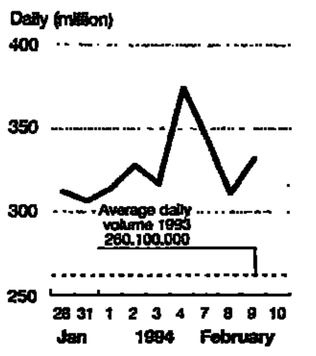
Dow slides on program sales, policy worries

Wall Street

US stocks slumped yesterday morning under the weight of program-selling and mounting concerns over US monetary policy, *writes Frank McGurty in New York.*

By 1 pm, the Dow Jones Industrial Average was 17.72 lower at 3,914.20, while the more broadly based Standard & Poor's 500 was down 2.25 at 470.52. In the secondary markets, the American SE composite slipped 0.82 to 479.77 and the Nasdaq composite shed 1.73 to 784.80.

NYSE volume



Volume on the NYSE was heavy, with 197m shares traded by 1 pm. Declining issues led advances, 1,148 to 773.

Stocks opened at mixed levels in spite of overnight gains in Tokyo. The morning's economic news, though favourable, was largely shrugged off. The labor department said claims for unemployment benefit had fallen by 47,000 last week, in line with expectations.

Activity in the bond market, meanwhile, was listless ahead of the Treasury's auction of $11bn in new 30-year bonds. The price of the benchmark long bond was off $\frac{5}{32}$ at $97\frac{25}{32}$ by midday.

By midmorning, however, a clear direction for equities was established when a computerised sell order was activated. The broad-based downturn soon accelerated, as investors became nervous once again about the implications of the Federal Reserve's move to lift short-term interest rates for the first time in five years. Until now, the mood had been sanguine, in view of the market's solid recovery from Friday's 96-point rout.

Automobile stocks were hit hard for a second day running. General Motors, a Dow industrial component, dropped $1⅝ to $62⅝ when its announcement of net income of $1.28 a share failed to satisfy investors. Ford, whose strong results disappointed Wall Street the previous session, shed a further $2¼ to $66¼. Chrysler, down $1½ at $59⅞, also fell out of favour.

Procter & Gamble slid $1⅜ to $57⅞ and Philip Morris $⅞ to $58¼. Caterpillar was $⅞ down at $107⅞, but Cummins, a rival heavy-duty engine manufacturer, was $1¼ better at $53¼.

Brazil

Brazilian equities rose 6.6 per cent in morning trading, boosted by heavy foreign buying and a perception that a widely expected market correction might not take place. A redenominated Bovespa index was quoted 642 higher at 9,649 by 10.30 local time.

Canada

Toronto was modestly stronger at midday as firm financial services and media issues propped up sagging precious metals shares. The TSE 300 composite added 6.01 to 4469.18 in 35.9m shares valued at C$413.12m.

SOUTH AFRICA

Johannesburg fell back further under pressure from political factors. The gold shares index lost 7 at 1,870, industrials 3 at 5,695 and the overall index 11 at 4,843. De Beers went against the general trend, advancing R2.50 to R110.

EUROPE

Banks stay under pressure as carmakers rise

Equity markets move in sequence, said Mr Robin Griffiths of James Capel yesterday, and on that basis the big buying of continental European stocks has yet to come, *writes Our Markets Staff*.

Mr Griffiths's technical analysis, broadly, backed up Capel's fundamental choice of markets in 1994. In Europe, ex the UK, they include France, Sweden, Italy and Spain to the exclusion of Switzerland and Germany, in particular. Mr Griffiths, however, pointed out that technical analysts look strongly at the fundamentals. "If the world moves as it should," he said, "the two should talk with one voice."

FRANKFURT reflected the prevalent loss of faith in bank shares, and the global upsurge of confidence in automotive industry stocks. The Dax index rose 33.67 on the session to 2,118.96 – consolidating Wednesday's post-bourse gains – and held its ground to finish the afternoon at 2,119.69.

Turnover eased from DM10.6bn to DM9.9bn. Rises of just over 1 per cent at Deutsche, Dresdner and Commerzbank were only weak on the margin, but they followed a bad day on Wednesday. In carmakers BMW kept the bulk of its short covering gains on Wednesday afternoon, but it was still up DM26 to DM803 on the session with Daimler almost alongside at DM819, up DM18.20, and Volkswagen DM9 higher at DM450.

Mr Glen Liddy at Kleinwort Benson said that banks had been waiting just too long for the Bundesbank to cut interest rates. Kleinwort likes BMW, which rose again to DM816 in the post-bourse, looking for intrinsic earnings growth as Rover sales increase over the next two years, and synergy benefits thereafter as BMW and Rover are put together; but Daimler, said Mr Liddy, might find it hard to justify the gains currently coming piggyback on the BMW story.

PARIS took a breather after Wednesday's break through 2,300, and the CAC-40 index closed off 5.29 at 2,296.77.

Turnover was FFr4.9bn.

Peugeot stood out with a FFr23 gain to FFr870. There have been a number of conflicting recommendations on the car group this week, with one US broker moving downwards and a French house taking the opposite tack yesterday.

Elf Aquitaine ended down FFr6.50 at FFr424.30 as the public offer period came to an end, with estimates suggesting that it was at least 2.5 times subscribed. The results of the public offer will be made known on Monday after the bourse has closed; the offer price for institutions will also be revealed at the same time.

AMSTERDAM was interested in KNP BT and Nedlloyd although the AEX finished barely altered, off 0.08 at 437.32.

KNP BT, the paper group, advanced to a day's high of Fl 52.00, before finishing up Fl 2.50 at Fl 50.50 ahead of today's results. The stock was assisted by bullish comments by the company chairman yesterday, reiterating a view that a return to profit would be seen this year.

Hoare Govett put out a buy recommendation on the stock recently and suggested that restructuring measures should enable the group to achieve a 20 per cent return on investments by 1996-1997.

Nedlloyd, the transport and shipping group, a strong performer so far this week on forecasts that it will return to profit this year, notched up a further Fl 1.90 to Fl 80.40.

FT-SE Actuaries Share Indices

Feb 10							THE EUROPEAN SERIES	
Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1510.86	1511.30	1511.31	1508.59	1507.12	1501.83	1497.26	1499.22
FT-SE Eurotrack 200	1568.27	1586.98	1586.97	1584.74	1583.41	1587.79	1553.95	1556.07

	Feb 9	Feb 8	Feb 7	Feb 4	Feb 3
FT-SE Eurotrack 100	1504.89	1512.37	1496.54	1529.77	1527.17
FT-SE Eurotrack 200	1581.00	1574.86	1567.75	1592.27	1594.74

Base value 1000 (26/10/90); High/day: 100 - 1512.28; 200 - 1598.27 Low/day: 100 - 1497.17 200 - 1552.22.

ZURICH was marked 1.4 per cent lower as domestic institutional investors saw firm early prices as an opportunity to launch another round of profit-taking. Late foreign selling also helped to push the SMI index 42 lower to 3,012.2, taking the cumulative fall this week to 4.9 per cent.

Banks remained under pressure with UBS bearers, topping the actives list, shedding SFr26 to SFr1,439. Roche certificates, widely viewed as having led the recent rally, lost SFr140 to SFr6,950.

Motor-Columbus added SFr25 to SFr1,750 after the chief executive was quoted as saying that there were potential buyers for the telecommunications and energy group, after its recent comprehensive restructuring.

Sulzer rose SFr21 to SFr936 in response to the engineering group's announcement that it was merging its worldwide paper activities with those of Germany's Voith.

MILAN absorbed technically inspired selling ahead of today's end of the February account as renewed demand emerged for the recently overshadowed telecoms sector. The Comit index edged 0.29 lower to 679.83.

Stet was L106 higher at L4,739 after remarks by its Stet chairman were interpreted as suggesting that Sip would retain its mobile telephone business – and profits – throughout this year. Sip added L80 to L4,407.

Ferruzzi rose L38 to L2,042 in heavy volume of 43m shares after the conclusion of its capital raising exercise. IMI gave up L344 to L13,086 on profit-taking after after last week's privatisation and Wednesday's market debut.

STOCKHOLM, strongly tipped by a number of analysts as a star performer this year, fell 2.1 per cent on interest rate and corporate worries. The Affärsvärlden index shed 32.7 to 1,533.5. Ericsson B shares were SKr5 lower at SKr356 in spite of its more than doubled pre-tax profits.

ISTANBUL tumbled another 10.2 per cent, down 1,697.89 to a provisional close of 14,087.82, for a cumulative 51.2 per cent fall since the all time high of January 13.

TEL AVIV's Mishtanim index recovered by 4.35, or 1.8 per cent to 240.22 in response to the Israel-PLO agreement signed in Cairo.

However, dealers said that the broad market was still on a downtrend. Many small-capitalisation stocks, they said, closed the week with heavy losses after Wednesday's disclosure that two Israeli portfolio managers had been arrested on suspicion of manipulating shares in eight companies.

Written and edited by William Cochrane, John Pitt and Michael Morgan

Denmark looks ahead to resurgence of new issues

The market is awaiting the privatisation of Teledanmark later this year, writes **Hilary Barnes**

The performance of shares listed on the Copenhagen stock exchange may not match that of other Nordic countries over the past year but, given that profits expectations for Danish companies have received no beneficial boost from foreign exchange depreciation, it remains remarkably good.

The all-share index rose 39 per cent in 1993, climbed a further 13.7 per cent to reach a new high on February 2, and is currently about 11.2 per cent ahead since December 31.

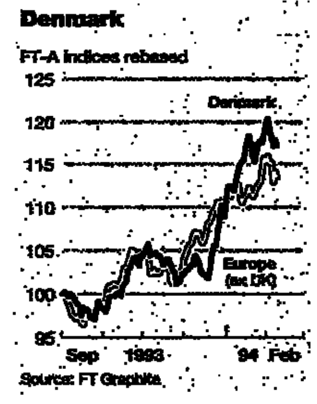
Den Danske Bank's equity analysts predict an increase in profits averaging 13 per cent in 1994 and 19 per cent in 1995, only a fraction of the expectation which the bank has for profits in Norway, Finland and Sweden.

This year is expected to see a resurgence in new issue activity after a long period with little action.

Danisco, the food conglomerate, led off with a highly successful DKr1bn ($149m) convertible – later raised by DKr150m – while Unidanmark, the banking group, announced a new share issue, which will raise about DKr1.3bn, following a return to profits in 1993 after three years of losses.

There will be a strong focus on the Teledanmark privatisation issue, due before midsummer, when 49 per cent of the stock in the state's monopoly telecommunications group will be sold. The issue will be a record for the Copenhagen market, with estimates of the amount to be raised ranging from about DKr7bn to almost double that figure.

Denmark



Source: FT Graphite

Another, much smaller, privatisation issue, the sale of 25 per cent in Copenhagen Airport, is also under preparation for this spring, and could raise about DKr750m.

The resolution of ownership of Baltica, the country's largest insurance group (including life assurance), will be another major event this year.

Brought to its knees by ill-judged property and other investments, Baltica was rescued by Den Danske Bank last year, leaving Danske with a 32 per cent stake; the former Baltica Holding, now known as Gefion, has 24 per cent.

These shares are up for sale, and it is an open question whether Danish investors have the means or the inclination to take on the domestic giant. If not, both Denmark's two top insurance groups (the other is Codan) will be foreign-owned.

Unidanmark's return to profit of DKr885m in 1993 after a DKr4.66bn loss in 1992 is an indication that the worst is over for the finance industry.

The strains on the sector, however, are still showing, as the insurance concern Topdanmark was forced to concede this month after the Finance Industry Supervisory Authority told it to increase bad loss provisions in its banking subsidiary Aktivbanken, which will, therefore, make a loss again; the group's profits forecast was reduced from DKr148m to DKr100m.

Among the larger and more liquid shares, FLS Industries, supplier of cement mills and technology, aircraft maintenance services and building materials, has put on 18 per cent since the end of the year.

The share price was helped by comments from Mr Birger Riisager, its chief executive, who told analysts that the market was undervaluing the group, which has a large order book for cement mills around the world. But FLS Industries "B" shares, presently priced about DKr554, are still way off their 1993 peak of DKr615.

Among smaller companies, a return to profits in the half-year ending November 30 by Bang & Olufsen, the manufacturer of up-market television and audio equipment, sent the "B" stock to a high of DKr780, compared with a 1993 low of DKr110 and a year-end DKr552, before receding to its current DKr703.

The group implemented a tough rationalisation programme and introduced a new product strategy at the end of 1992 under a new chief executive, Mr Anders Knutsen, which paid off with first-half profits of DKr30m, after several years with losses, and a sales surge of 18 per cent.

ASIA PACIFIC

Nikkei boosted by late arbitrage buying

Tokyo

Late afternoon arbitrage buying left Japanese equities higher at the end of the day, although many investors stayed on the sidelines, and others were cautious in adjusting their positions ahead of the long weekend, *writes Emiko Terazono in Tokyo.*

The Nikkei average showed an improvement of 149.32 at 19,990.70 after a day's low of 19,787.28 and high of 20,007.00. The Topix index of all first section stocks closed 10.12 up at 1,608.14.

Prices fluctuated narrowly throughout the session due to uncertainty over the Hosokawa-Clinton meeting in Washington today. Reports of tough rhetoric by US trade negotiators dampened sentiment; a breakdown of the US-Japan bilateral framework talks could mean upward pressure on the yen, which would be a blow to Japanese exporters.

Volume came to 350m shares, against 452m, with increasing caution also expressed over next Monday's listing of Nikkei 300 stock futures contracts on the Osaka stock exchange. Advances outscored declines by 647 to 370, with 140 issues unchanged. In London the ISE/Nikkei 50 index added 3.86 at 1,333.48.

Foreign buying supported multimedia linked issues, including leading consumer electronics companies at the end of the session. Sony moved ahead Y100 to Y6,390 and Matsushita Electric Industrial Y50 to Y1,720. Brother Industries, the sewing machine maker, gained Y55 at Y565.

Environmental shares were up on expectations that the US president and the Japanese prime minister will address environmental problems during their meeting. Tabai Espec, a meteorological environmental testing equipment maker, rose Y130 to Y1,300.

Steels were lower on profit-taking. Kawasaki Steel slipped Y6 to Y351 and NKK Y4 to Y256. Mining issues, which had been higher on firm gold prices, lost ground. Sumitomo Metal Mining shed Y21 to Y879 and Dowa Mining Y4 to Y518.

Telecommunications linked stocks were stronger. Fujitsu, the most active issue of the day, put on Y10 at Y1,050 and Nitsuko added Y60 at Y1,600.

Zexel, a car parts maker, jumped Y60 to Y640 on reports that it will supply car navigation systems to General Motors, of the US, on a original equipment manufacturing basis.

In Osaka, the OSE average firmed 74.78 to 21,779.62 in volume of 47.1m shares.

Roundup

The lunar new year closed several markets in the region. Elsewhere, although there was some response to Wednesday's Wall Street rally, some investors were in two minds about the Dow.

AUSTRALIA fell on nervousness, a wavering futures market and weaker resource stocks, the All Ordinaries index closing 36.6 lower at 2,234.3. A fund manager said Sydney was still in profit-taking mode, destabilised by the 96-point fall in the Dow six days earlier.

Among resource stocks, North Broken Hill was 24 cents down at A$3.60 after the Robe River iron ore project said it would take a 14.5 per cent price cut for ore to Japan, in return for guaranteed tonnage.

NEW ZEALAND drifted in the absence of holidaying Asian investors, the NZSE-40 index finishing 4.34 off at 2,364.82 after an intraday high of 2,377.50.

MANILA celebrated the Chinese new year by staying open and breaching the 3,000 level, the composite index ending 18.43 higher at 3,013.76.

Brokers said there was renewed foreign buying. Philippine National Bank gained 20 pesos at 605 pesos and PLDT 10 pesos at 2,190 pesos.

BANGKOK and **JAKARTA** closed firmer in dull trading, the SET index rising 6.90 to 1,410.53 in turnover of Bt9.1bn and the JKSE composite index putting on 2.82 at 583.47. The latter saw buying in selected issues; Sampoerna continued to capitalise on its optimistic 1994 net profits forecast, adding 6.2 per cent at Rp16,400 in thin volume.

KARACHI rose on government incentives for the textile industry announced yesterday, the KSE 100 index finishing 15.50 ahead at 2,339.70.

BOMBAY ended higher, although early sharp gains were eroded by profit-taking by the Unit Trust of India, as well as by other Indian financial institutions. The BSE index was finally 20.98 up at 4,039.90, after touching 4,203.70.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY FEBRUARY 9 1994								TUESDAY FEBRUARY 8 1994					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1993/94 High	1993/94 Low	Year ago (approx)
Australia (69)	184.24	-1.6	187.04	125.60	168.61	170.57	-1.6	3.02	187.23	188.85	128.89	171.88	173.33	189.15	124.18	124.18
Austria (17)	187.27	0.0	190.10	127.68	171.37	171.07	-0.2	0.93	187.18	188.79	128.85	171.83	171.47	195.41	139.23	141.14
Belgium (42)	166.24	0.7	168.76	113.32	152.13	148.65	0.3	3.87	165.05	166.46	113.61	151.51	148.17	169.08	138.95	139.30
Canada (107)	137.57	0.1	139.65	93.78	125.89	133.91	0.2	2.53	137.49	138.67	94.64	126.21	133.66	145.31	117.45	117.45
Denmark (32)	263.77	-0.6	267.77	179.81	241.38	245.63	-0.6	0.92	265.23	267.51	182.58	243.48	247.34	275.79	195.66	199.64
Finland (22)	151.56	0.5	153.86	103.32	138.70	179.88	0.6	0.57	150.82	152.11	103.82	138.45	178.82	156.72	65.50	66.66
France (99)	178.94	0.2	181.65	121.99	163.76	167.70	0.0	2.77	178.54	180.08	122.90	163.90	167.69	185.37	149.46	149.71
Germany (59)	126.97	-0.7	130.92	87.92	118.02	118.02	-1.0	1.80	129.90	131.01	89.42	119.24	119.24	142.38	107.59	109.30
Hong Kong (56)	464.95	0.6	472.00	316.95	425.50	462.68	0.7	2.30	462.16	466.14	318.14	424.27	459.70	506.56	231.58	231.58
Ireland (14)	193.61	-1.5	196.54	131.98	177.18	194.22	-1.2	2.87	196.63	198.32	135.36	180.51	196.57	209.33	129.29	133.24
Italy (69)	76.22	-0.3	77.38	51.96	69.76	96.20	-0.9	1.71	76.42	77.08	52.61	70.16	97.05	78.93	55.21	60.38
Japan (469)	148.53	-0.1	150.78	101.25	135.93	101.25	-1.1	0.80	148.71	149.99	102.36	136.51	102.36	165.91	106.97	107.17
Malaysia (69)	507.49	0.1	515.19	345.96	464.43	539.35	0.0	1.35	507.25	511.62	349.18	465.67	538.35	621.63	267.68	268.24
Mexico (18)	2647.08	2.0	2687.19	1804.52	2422.42	8886.44	2.0	0.56	2594.98	2617.27	1786.30	2382.16	8810.96	2847.08	1410.30	1658.49
Netherland (26)	202.88	0.4	205.96	138.31	185.67	182.55	0.0	2.90	202.04	203.78	139.08	185.48	182.54	207.43	155.34	156.35
New Zealand (14)	75.17	-0.2	76.31	51.24	68.79	69.28	-0.4	3.35	75.38	76.01	51.88	69.18	69.54	77.59	43.20	43.20
Norway (23)	198.60	-0.7	201.61	135.39	181.75	204.20	-0.8	1.25	200.06	201.78	137.72	183.66	205.93	204.44	138.63	143.65
Singapore (45)	353.61	1.2	356.97	241.05	323.60	258.20	1.0	1.60	349.23	352.24	240.40	320.60	255.65	378.92	213.57	218.78
South Africa (60)	250.30	-2.3	254.10	170.63	229.06	248.38	-0.7	2.30	256.21	258.41	176.37	235.20	250.18	280.26	160.78	166.39
Spain (42)	151.10	-0.1	153.39	103.00	138.27	163.30	-0.3	3.59	151.30	152.60	104.15	138.90	163.86	155.79	116.33	126.74
Sweden (36)	221.60	0.0	224.96	151.07	202.80	263.50	-0.2	1.32	221.58	223.49	152.53	203.42	264.01	230.02	154.59	159.70
Switzerland (49)	166.42	-1.2	168.94	113.45	152.30	152.59	-1.4	1.43	168.51	169.96	116.00	154.69	154.83	176.56	109.14	111.68
United Kingdom (215)	205.02	-1.0	208.13	139.77	187.63	208.13	-0.4	3.48	207.13	208.91	142.59	190.15	208.91	214.98	182.00	163.39
USA (518)	192.24	0.4	195.16	131.05	175.93	192.24	0.4	2.73	191.56	193.20	131.86	175.85	191.56	196.04	176.29	181.89
EUROPE (744)	171.54	-0.6	174.14	116.94	156.98	168.21	-0.5	2.70	172.51	173.99	118.75	158.38	169.03	178.58	134.89	135.52
Nordic (113)	213.28	-0.1	216.51	145.39	195.18	222.45	-0.2	1.12	213.49	215.32	146.96	195.98	222.93	220.60	145.85	147.41
Pacific Basin (722)	161.01	-0.1	163.45	109.76	147.35	113.84	-0.9	1.07	161.19	162.58	110.96	147.97	114.89	168.80	111.98	111.98
Euro-Pacific (1466)	165.24	-0.3	167.74	112.64	151.21	134.89	-0.7	1.77	165.75	167.17	114.10	152.18	135.88	170.78	121.37	121.48
North America (625)	188.85	0.3	191.71	128.74	172.82	188.22	0.3	2.72	188.20	189.81	129.55	172.76	187.56	192.73	172.67	177.92
Europe Ex. UK (529)	150.28	-0.3	152.56	102.45	137.53	144.73	-0.6	2.21	150.69	151.99	103.73	138.33	145.54	155.73	117.89	118.03
Pacific Ex. Japan (253)	280.74	-0.1	285.00	191.38	256.92	257.99	-0.1	2.33	280.97	283.39	193.41	257.94	258.25	298.21	158.88	158.88
World Ex. US (1651)	167.12	-0.3	169.65	113.92	152.93	138.27	-0.7	1.78	167.61	169.05	115.38	153.86	139.10	172.51	122.72	122.72
World Ex. UK (1954)	171.53	0.1	174.12	116.93	156.97	150.14	-0.3	1.98	171.44	172.91	118.01	157.38	150.56	175.58	138.71	139.64
World Ex. So. Af. (2103)	174.02	0.0	176.66	118.63	159.25	154.40	-0.3	2.12	174.08	175.58	119.83	159.80	154.84	178.56	140.95	141.65
World Ex. Japan (1700)	189.96	0.0	192.84	129.50	173.84	187.17	0.0	2.64	190.02	191.66	130.81	174.44	187.13	195.20	159.44	161.30
The World Index (2169)	174.46	-0.1	177.10	118.93	159.65	155.17	-0.3	2.13	174.56	176.06	120.16	160.24	155.62	178.97	141.01	141.72

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Constituent change with effect 10/2/94: Addition: M.I.M. (Italy). Latest prices were unavailable for this edition. Malaysian market closed February 9.

Guardian Royal Exchange

Barclays de Zoete Wedd was adviser to GRE USA Corporation, a subsidiary of Guardian Royal Exchange plc, in the acquisition of American Ambassador Casualty Company from Allianz (UK) Limited, a subsidiary of Allianz A.G. Holding (Germany), for US$100 million.

December 1993

Barclays de Zoete Wedd was lead manager for The Mutual Group (US) in the £125 million subordinated debt issue.

December 1993

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